Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1936

(*Established* 22*nd September* 1836)

(*Incorporated* 18*th June* 1924)

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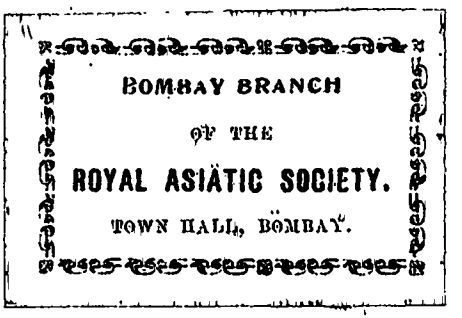

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FOR THE YEAR 1936

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Presented to the Annual General Meeting held on 17th March 1937.

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T. J. A. Scott	1841–46
John Connon	1846–57
John Mawson	1857–59
J. A. Crowe (Acting) ..	1858–59
H. Brooke	1859–64
James Taylor	1864–73
John Gordon	1873–81
David Watson (Acting).	1881–82
John Marshall	1884–98
Frederick Noel Paton.	1898–1905
J. B. Leslie-Rogers .	1905–1911
R. E. Gregor-Pearse .	1912–1920
C. B. Sayer .. .	1921–1925
R. J. F. Sulivan—Appointed 1925.	

* Part year.

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Bombay Chamber of Commerce.

ANNUAL GENERAL MEETING.

THE Annual General Meeting of the Members of the Bombay Chamber of Commerce was held in the rooms of the Chamber, Mackinnon Mackenzie and Company's Building, Ballard Estate, on Wednesday, 17th March 1937, at 11-30 a.m., to transact the following business :—

1. To adopt the Report of the Committee of the Chamber for the year 1936.

2. To confirm the nomination of the members of the Committee of the Chamber for the year 1937-38 in accordance with the provisions of Article 37 (*g*).

3. To appoint Auditors of the Chamber's accounts for the year 1937 and to fix their remuneration.

Any other business that may be brought forward.

Mr. L. A. Halsall, President of the Chamber, presided and was supported by Messrs. W. A. Bell, F. H. French, J. F. Macdonell, M.C., R. Scherer, F. Stones, O.B.E., D. D. Storrar and J. R. D. Tata, Members of the Committee.

Among those present were :—

His Excellency the Right Hon'ble Lord Brabourne, G.C.I.E., M.C., Governor of Bombay ; The Hon'ble Sir Robert Bell, K.C.S.I., C.I.E., I.C.S., Member of the Executive Council ; Mr. C. G. Freke, C.I.E., I.C.S., Secretary to the Government of Bombay, Finance Department ; Mr. N. R.

Pillai, I.C.S., Collector of Customs; Mr. J. R. T. Booth, C.I.E., I.C.S., Postmaster General; Mr. C. V. Vijiaraghavachari, M.A., Presidency Postmaster; Mr. W. D. M. Clarke, H. M. Trade Commissioner; Major A. J. Ransford, C.I.E., R.E., Mint Master; Mr. G. Wiles, C.S.I., C.I.E., I.C.S., Chairman, Bombay Port Trust; Mr. F. A. Borissow, Manager, Bombay Port Trust Docks; the Chairman, Bombay Fire Insurance Association; the Vice-President, and the Secretary, Indian Merchants' Chamber; the Chairman, Bombay Native Piecegoods Merchants' Association; Mr. M. B. Nanavaty, of the Reserve Bank of India; the Consul for Germany; the Consul for Denmark; the Editor, *Indian Textile Journal*; Mr. Manu Subedar; Mr. Vithaldas Kanji; Mr. B. S. Dabke, Mr. Bhagwandas Manmohandas Ramji and Mr. Hurgovandas Jamnadas Ramji, of the Bombay Millowners' Association.

The following members of the Chamber attended the meeting :—

Mr. G. A. H. Alexander.	
,, C. Freeman	Messrs. Andrew Yule & Co., Ltd.
,, D. F. Macmillan ..	
,, W. Deacon	The Anglo-Siam Corporation, Ltd.
,, E. E. Cockram ..	
,, Jal P. Eranee ..	Messrs. Bell Russ & Co.
,, W. H. Jackson ..	,, Blackie and Son (India), Ltd.
Sir Ness Wadia, K.B.E., C.I.E.	The Bombay Dyeing and Manufacturing Co., Ltd.
Mr. A. S. Trollip ..	The Bombay Electric Supply and Tramways Co., Ltd.
,, W. T. Lane	The Bombay Gas Co., Ltd.
,, L. W. Boulter ..	
,, J. P. Mehta	The Bombay Steam Navigation Company, Ltd.

Sir Joseph Kay, KT. ..	Messrs. W. H. Brady & Co., Ltd.
Mr. R. L. Ferard ..	
,, G. H. Cooke ..	Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.
,, G. O. Pike	
,, G. P. Pakenham-Walsh	
,, D. D. H. Thomas ..	
,, R. P. Smith ..	
,, A. W. Percy ..	
,, D. J. C. Wallace ..	
,, D. A. Fyfe	
,, J. D. Boyle ..	
C. P. G. Wade ..	
,, J. E. Tomlinson ..	
,, W. J. Burrows ..	Messrs W. J. Burrows.
,, H. E. Ormerod ..	The Cement Marketing Co. of India, Ltd.
,, H. L. Aspden ..	Messrs. Courtaulds (India), Ltd.
,, R. D. Down ..	
,, A. J. Bebbington ..	,, Cox & Kings (Agents), Ltd.
,, A. E. Blair	,, Crawford Bayley & Co.
,, K. A. Dubash	,, Ardeshir B. Cursetjee and Sons.
,, S. K. Chaudhari ..	,, W. H. Deeth & Co.
,, C. P. Bramble ..	,, Drennan & Co.
,, R. H. Tucker ..	,, Lionel Edwards, Ltd.
,, A. Harger	
,, J. G. Vecqueray ..	The English Electric Co., Ltd.
Commander H. J. Miller, R.N.R.	Messrs. Ericson and Richards.
Mr. B. J. Whitby ..	,, A. F. Ferguson & Co.

Mr. C. F. Morris	Messrs. James Finlay & Co., Ltd.
,, R. W. Bullock ,, T. V. Baddeley ,, L. A. Down	,, Forbes, Forbes Campbell & Co., Ltd.
, G. E. Corey	The Ford Motor Co. of India, Ltd.
,, C. W. Lloyd	Messrs. Ford, Rhodes and Parks.
,, T. Sinclair Kennedy	,, Glenfield and Kennedy, Ltd.
,, M. A. Fazulbhoy ,, Y. A. Fazulbhoy	,, Fazulbhoy, Ltd.
,, J. B. Greaves ,, A. McIntosh	,, Greaves Cotton & Co., Ltd.
,, S. Fuchsmann	,, Havero Trading Co.,Ltd.
,, J. L. Riordan	,, Heatly and Gresham, Ltd.
,, H. G. Sale	,, W. T. Henley's Telegraph Works Co., Ltd.
,, M. W. R. Sell	The Indian Oxygen and Acetylene Co., Ltd.
,, E. C. Reid ,, R. C. Giles ,, V. F. N. Paton	Messrs. Killick Nixon & Co.
,, H. A. O'Connor	The Kinematograph Renters' Society of India, Burma and Ceylon, Ltd.
,, G. S. Taunton ,, W. Keay ,, E. J. Pakes ,, C. E. Leman ,, L. H. Rose ,, I. H. Anderson	Messrs. Mackinnon, Mackenzie & Co.
,, D. S. Servai	,, Martin and Harris, Ltd.

Mr. Cavasji Cursetji Dalal	Messrs. Moolji Jaitha & Co.
,, E. J. Spuhler ..	The Nestle and Anglo-Swiss Condensed Milk (Export) Co., Ltd.
,, A. C. Hinrichs ..	Messrs. Parke, Davis & Co.
,, H. W. Fieth ..	
,, H. M. McGusty ..	,, Phipson & Co., Ltd.
,, J. Platt	,, Pilkington Brothers, Ltd.
,, W. M. Petrie ..	,, Ralli Brothers, Ltd.
,, S. B. Samoilys ..	
,, G. Muspratt ..	,, Remington Rand Inc.
,, W. F. Lennam ..	
,, J. Scott Ferguson ..	
,, J. W. Collins ..	,, Reuters, Ltd.
,, H. G. Pirrie	,, Richardson and Cruddas.
,, C. A. Cunliffe ..	,, Shaw Wallace & Co.
,, D. E. Gough ..	The Society of Motor Manufacturers and Traders, Ltd.
,, H. A. Lindquist ..	Messrs. Steel Brothers & Co., Ltd.
,, L. A. Stronach ..	,, L. A. Stronach & Co., (India), Ltd.
Sir Nowroji Saklatvala, KT., C.I.E. ..	,, Tata Sons, Ltd.
Mr. W. L. A. Radcliffe ..	,, Turner Morrison & Co., Ltd.
,, B. R. T. Greer ..	
Captain H. A. O'Connor. .	The United Artists Corporation.
Sir Geoffrey Winterbotham, KT.	Messrs. Wallace & Co.
Mr. S. O. Sundgren ..	The Western India Match Co., Ltd.
,, S. R. Bhagat ..	The Western India Oil Distributing Co., Ltd.

Sir John Abercrombie, KT., M.C. .. .. Mr. K. S. H. Wilson ..	Messrs. Wilson Latham & Co., Ltd.
,, W. M. Martin .. ,, R. K. Williams ..	,, Wolverhampton Works Co., Ltd.
,, D. Laidlaw	The Chartered Bank of India, Australia and China.
Sir William Lamond .. Mr. A. McCulloch ..	The Imperial Bank of India.
,, G. J. H. Walls ..	The Mercantile Bank of India, Ltd.
,, N. W. Chisholm ..	The National Bank of India, Ltd.
,, L. Randall .. .. ,, E. Rose	The Atlas Assurance Co., Ltd.
,, H. F. Stackard ..	The Commercial Union Assurance Co., Ltd.
,, Hugh Pollett ..	The London and Lancashire Insurance Co., Ltd.
,, R. J. F. Duff ..	The New India Assurance Co., Ltd.
,, A. S. Chadwick ..	The Pearl Assurance Co., Ltd.
,, H. Chamberlain ..	The Sun Life Assurance Co. of Canada.

Mr. R. J. F. Sulivan, Secretary, and Mr. H. Royal, M.B.E., Assistant Secretary of the Chamber.

The notice convening the meeting having been read, MR. L. A. HALSALL, in opening the proceedings, said :—Your Excellency and Gentlemen,—On behalf of all members of the Bombay Chamber of Commerce I extend a cordial welcome to His Excellency the Governor to-day, and assure him how much we appreciate the honour he does us by attending our Annual Meetings. I also welcome our other distinguished visitors.

It came to us as an unpleasant shock when we learnt only a day or two ago that the Bombay Presidency is to lose the services of Lord Brabourne during this very important year in the history of India. The news has been received with mixed feelings. Our very real regret at losing our present able and popular Governor is tempered by the thought that His Excellency's services are to be retained for India for a longer period than would normally have been the case.

We are now on the threshold of great and far-reaching changes. The elections to the new Provincial Legislatures are over, and it is earnestly to be hoped that those on whom will fall the responsibilities of office will show themselves worthy of the trust. We particularly deplore Your Excellency's approaching departure from Bombay as we are of opinion that your sympathetic personality and political flair would have been very great assets in the first year of Self-Government in this Province.

Since our last meeting we have bidden farewell to Lord and Lady Willingdon who devoted so many years of their lives to the service of this country. We expressed our feelings of gratitude and respect in an address we presented on the occasion of Their Excellencies' departure. We also presented an address welcoming the new Viceroy. His Excellency Lord Linlithgow's special knowledge of agricultural problems and deep interest in rural matters provide an assurance that full advantage will be taken of the present rising trend in prices to improve the lot of the cultivator of the soil on whom the prosperity of the country depends.

Quite recently the Empire has passed through the gravest constitutional crisis it has known. The Crown, to which despite deep political differences, Indians of all classes are instinctively loyal, has emerged stronger than before. With feelings of sympathy and affection this

country looks forward to the opportunity of welcoming in person the new King-Emperor who was called upon so unexpectedly to assume his great responsibilities.

The past year has seen a most remarkable improvement in the internal trade of the United Kingdom and America. The expansion of business in these two great markets might be taken as a most hopeful sign, but with international affairs still so unsettled world trade, far from approaching boom conditions, has only started on the road to recovery.

Owing to the disturbed political conditions on the Continent and, in particular, the possible repercussions of the tragic war in Spain, most markets during the greater part of 1936 were very sensitive. This was particularly noticeable in India where we have had short periods of optimism alternating with periods of equal pessimism. There might have been fewer of the latter if the purchasing power of the masses had been able to keep pace with the rise in prices of manufactured goods, but, as is inevitable, there is a lag between the improvement in raw commodity prices and any appreciable increase in the buying power of the ryot. The result is that merchants in this country have been and still are very chary of committing themselves to forward business in the fear that with the slightest setback they will find themselves landed with stocks at prices which the majority of their buyers still cannot pay.

The monsoon last year caused considerable anxiety for a time and speaking generally the rains were below normal. Conditions improved a little towards the end of September and as they have since then been favourable, except in a few districts, the prospects for the principal crops are about the average.

Business in Bombay was very adversely affected in October and November by the rioting which most un-

fortunately broke out, owing to differences between the Hindus and Moslems about the construction of a *mandap* at the Maruti Temple in Byculla. At one time the position was extremely serious and must have caused very grave anxiety to the authorities responsible for the maintenance of law and order. If I may so presume, I would like to take this opportunity of congratulating Your Excellency and your Government on the manner in which a most difficult and disturbing situation was handled.

Bombay Port Trust.

I feel I ought not to omit mention of the further improvement in the finances of the Bombay Port Trust. It must be a source of considerable satisfaction to Mr. Wiles, that he has just been able to present a Budget showing an estimated surplus in General Account for 1936-37 of Rs. 6 lakhs more than was expected and to look forward to a surplus of Rs. 6.29 lakhs in 1937-38. The estimated surplus for 1937-38 is after allowing for a reduction of the surcharge on wharfage rates from 12½ per cent. to 8⅓ per cent. This reduction in the Port charges on goods will be generally welcomed. Is it too much to hope that a further reduction will be possible in the current year ?

Government of India Budget.

In presenting the Budget to the Legislative Assembly at the end of last month the Finance Member said the position gave little cause for pessimism but rather considerable grounds for optimism. With that statement one need not quarrel as although the estimated deficit for 1937-38 is Rs. 158 lakhs this is after providing Rs. 9 crores in respect of the separation of Burma and subventions to Provinces after the inauguration of Provincial Autonomy on 1st April. The Finance Member's proposals for covering the deficit by increased taxation on silver and sugar are, I think, fair. Under present conditions it pays the operator

in India to sell gold and buy silver and that he is doing so is evidenced by the increased imports of the latter. The increase in the import duty will harm no one. The increased excise duty on sugar will inevitably meet with criticism but in view of the very serious decline in receipts from the import duty on foreign sugar, which in 1930-31 amounted to Rs. 10¾ crores, the Finance Member can hardly be blamed for increasing the excise duties payable by the industry which is working behind such a very high protective tariff.

Where the Budget does give rise to disappointment is that the estimated surplus of Rs. 6 lakhs for 1936-37 is turned into a deficit of Rs. 197 lakhs, largely owing to a serious fall in receipts from import duties. The Finance Member admits that the inevitable diminishing returns are operating more rapidly than was believed possible. What is the end of all this to be? If returns from customs duties on protected articles continue to decline, any further increase in the rates will tend to accelerate that movement. If again excise duties are increased the consumer is the one who pays and the total volume of trade is liable to be further restricted. It seems clear that a comprehensive enquiry into the incidence and effects of the present Tariff and Excise duties can no longer be safely delayed.

Companies Act.

The year has seen the passing of the most important piece of commercial legislation that has been undertaken for a long while. For some years the necessity for amending the Indian Companies Act has been apparent and this Chamber raised the question more than ten years ago. Not till comparatively recently was it found possible to take the matter in hand seriously. It is a tribute to the ability and driving force of the Law Member, Sir N. N. Sircar, that he has succeeded in pushing through in a single year such a highly contentious and complicated measure. The Bill to amend the Act of 1913 was introduced

in March last year and, needless to say, your Committee gave it their most earnest attention. In this they were ably assisted by a special Sub-Committee under the chairmanship of Sir Geoffrey Winterbotham. The Chamber is under heavy obligations to him and his colleagues, Messrs. A. E. Blair, R. W. Bullock, R. C. Giles, A. G. Gray and B. J. Whitby for their indefatigable labours on its behalf. It is doubtful if in the whole course of its long history a Chamber Sub-Committee has devoted more time to a single Bill. The Sub-Committee sat early and late, alone and later in conjunction with the General Committee, and we should indeed be grateful to these gentlemen for giving up so much of their valuable professional and business, not to speak of recreational, time to the service of the Chamber.

The conclusions reached by your Committee as the result of these deliberations were communicated to members at the time and are embodied in the report before you, so that I need not refer to them here; we were fortunate in having consultations with Sir Edward Benthall which greatly facilitated an approximation of our point of view with that of our friends in Bengal. When the Bill went to Select Committee in Simla the views of the various Chambers had been to a large extent co-ordinated. A small unofficial Committee was appointed by the Associated Chambers to assist the representatives of the European Group in the Legislative Assembly during the sittings of the Select Committee. Here again, Sir Geoffrey Winterbotham came to our rescue and paid a special visit to Simla thus ensuring that our views were given due weight, a process that was facilitated by the fact that a former President of the Chamber, Sir Leslie Hudson, was a member of the Select Committee. Though the Bill as finally passed did not altogether meet our wishes and already there have emerged certain points on which amendments will be required, it is, I think, a workable measure and represents a considerable advance on the previous state of Company law.

The Law Member is also to be congratulated on having introduced another long overdue measure, namely, the Bill to consolidate and amend the law relating to the business of insurance. To assist us in giving the Bill the consideration it deserves we have appointed another special Sub-Committee representative of merchants as well as of both Indian and non-Indian insurance offices. It will be for the incoming Committee to deal with this subject. It is likely to be a contentious piece of legislation and it will be very necessary to keep clearly in view the main objects which it is sought to achieve, namely, to promote the healthy development of all kinds of insurance business in this country and to safeguard the rights and interests of the policy-holder and, in particular, the many people who wish to provide for the future by taking out life insurance policies. It is unfortunately an incontrovertible fact that many of these to-day are being exploited by some small mushroom concerns working ostensibly as life insurance or provident societies. There are some who think they see in this measure an opportunity of discriminating against non-Indian companies operating in this country. The Hon'ble the Law Member has already made it clear that that is by no means the intention of the Bill and I earnestly hope that all who have at heart the healthy development of insurance business in India, for which there is a vast field, will keep in mind the main objectives of the Bill to which I have just referred.

There is a third piece of commercial legislation for which we have been pressing for some years and I sincerely trust that the Government of India may see their way to take it in hand shortly. I refer to legislation for the registration of trade marks. It is much overdue and the longer it is delayed the greater will be the difficulties of inaugurating it. When these three great measures are all on the statute-book, India may claim to have a reasonably complete corpus of commercial law.

Railways.

In the past year your Committee have had to give consideration to many matters affecting the railways in India in their relation to trade and commerce. A number of these concerned the rates and conditions of carriage of specific commodities, into the details of which I need not enter. By far the most difficult problem has been that of railway policy generally, so far as concerns the raising or lowering of rates and the competition from road traffic. We have given considerable thought to these questions in our desire to offer constructive and not destructive criticism. Our views on the main points are summarised in the memorandum we submitted to the Railway Enquiry Committee last December and which Mr. Stones and myself, assisted by Mr. Greaves and Mr. Durutti, elaborated when we gave oral evidence before the Committee.

The Government of India's Road Fund Resolution has been the object of much criticism and not a little opposition. The chief objection to it lies, I think, in the fact that the Resolution gives the Government of India powers which encroach on the prerogative of the Provinces under the new Constitution to manage their own affairs as regards roads. Against that can be said, and with some justification, that proper co-ordination of rail and road traffic can only be achieved by central legislation. The resolution has recently been passed with only a few minor amendments, and we can only hope that the rules which presumably the Government of India will now formulate for the proper regulation of motor transport will be fair to all interests and interfere as little as is possible with the rights of Provincial Governments.

No one prepared to face the realities of the situation can afford for a moment to overlook the fact that Rs. 800 crores of the tax-payers' money is at stake in the railway system of India. That money has to be safeguarded—

there is no difference of opinion as to that. Where there is a clash of views is as to the best way to safeguard it and make the railways a paying proposition once again. If I may say so I think much of the criticism that has been levelled against the administrations in the past year or two has been due to the method in which they have approached the problem. The over-use of the word "restriction" in relation to other forms of transport has, not unnaturally, led to a belief that the railways' method of righting matters would be to stifle competition. I think the railway administrations now realise that that impression has grown and they are anxious to convince the public that in many of their arguments they have a good case. On points on which they do so convince us it is clearly our duty to support them strongly and not yield to the temptation to throw stones.

The Railway Budget presented to the Assembly on the 16th February by the Hon'ble the Commerce Member exhibits a much brighter picture than anyone could have hoped for a year ago. As against a budgeted deficit of Rs. 3.44 crores the year is expected to close with a small surplus of Rs. 15 lakhs, and in 1937-38 a surplus of the same amount is expected. The improvement is primarily due to earnings from the carriage of goods; passenger receipts are down. The question one must now put is "how long will the improved goods traffic continue?" My own opinion is that it is more than a temporary phase and that there is good reason to hope for a continuance of these improved conditions for some years at least, provided there is no further increase in India's tariff barriers. I am glad that increasing attention is being focussed on the adjustment of railway policy so as to assist the growth of internal trade and industry, but any attempt to apply the doctrine of economic self-sufficiency would be fatal alike to India and her railways. The railways in this country cannot prosper in the face of a shrinkage in the volume of India's international trade.

Government Trade Statistics.

With the assistance of the Statistics Sub-Committee we have devoted a good deal of time to statistical matters. Not only did we put up detailed proposals to the Director General of Commercial Intelligence and Statistics for the improvement of the trade statistics published by the Government of India, but the Vice-President moved a resolution at the meeting of the Associated Chambers stressing the importance both to Government and the business community of full and reliable statistics and urging the early establishment of a Central Statistical Department on up-to-date lines. It is satisfactory to learn that the Standing Finance Committee of the Legislative Assembly has approved the creation of a separate economic intelligence organization at the headquarters of the Government of India and the setting up of a central statistical organisation under the Director of Statistics in Delhi. It is recognised that the existing statistical and commercial intelligence organisation is wholly inadequate and that if India is to take advantage of the opportunities offered by a revival of world trade the modernisation of her statistical equipment is a *sine qua non*.

Indo-Japanese Trade Agreement.

The lamentable deficiencies of the existing statistical material have been particularly felt during the trade negotiations which are still in progress with Japan and the United Kingdom, and to this circumstance may possibly be attributed the decision that has now happily been taken. After consulting other bodies interested, the Chamber recommended the renewal of the agreement with Japan but not on the same terms as previously. We held that the first object of the negotiations should be to secure for India the restoration of the favourable balance of trade with Japan which was enjoyed in former years. We suggested that on the one hand Japan's raw cotton quota should be

increased, so as to impose an obligation to take the quantities she now took voluntarily, while on the other hand the import quota scheme should be extended to include at least those textiles (including artificial silk and fents) whose competition was felt most seriously in India. We also suggested a re-arrangement of the piecegoods quotas to be allotted to Japan. At the request of the Government of India certain unofficial advisers were asked to meet in Simla last July for discussions before the negotiations with the Japanese delegates began. We nominated Mr. R. A. F. Kidson on behalf of this Chamber and we are much indebted to Mr. Kidson not only for his able championship of our views but for a valuable report which he drew up as the result of the discussions. As you are aware the negotiations have been protracted and have not yet been brought to a conclusion. In September it appeared to your Committee that the limit of safety had been reached and they accordingly telegraphed the Government of India urging them to give six months' notice to terminate the Convention if in the meantime no new protocol had been concluded, since otherwise Japan would enjoy all the advantages of most-favoured-nation treatment without obligation as regards takings of Indian cotton or the piecegoods quota. On 22nd October, formal notice was given in Tokio of India's intention to terminate the Indo-Japanese agreement on 31st March 1937. Since then the situation has moved in favour of India, and now that the discussions with Burma are out of the way, we may hope for a favourable outcome to the negotiations. Japan is forced to buy increasing quantities of Indian cotton to meet the strong demand for textiles from China and the United States of America. At the same time the prices of Japanese textiles are hardening so that Indian-made goods are finding it possible to compete in some lines. Thus on the one hand the necessity for a quota for plain greys has largely disappeared for the present and on the other Japan is taking raw cotton greatly in excess of the quota requirements. India is in a much stronger position than she was three years ago.

Indo-British Trade Agreement.

The renewal of the Ottawa Trade Agreement has also engaged our attention. The resolution passed by the Legislative Assembly on 30th March last, necessitating as it did the denunciation of the agreement without affording the House an opportunity of examining its working, seemed to us a mistake, though we were not disposed to attribute over-much importance to what was after all mainly a political gesture. Public and governmental opinion both in this country and in England is learning to assess these demonstrations at their true value. Owing to the conciliatory attitude of His Majesty's Government the existing preferences are being maintained pending the conclusion of a fresh agreement. In consultation with a special Sub-Committee consisting of both exporters and importers, we have expressed the view that an agreement on the lines of that concluded in 1932 is desirable, and that included in the schedules to it should be all goods which were accorded preferential tariff treatment in the United Kingdom and in India by the existing agreement. We also recommended the inclusion in the Schedules of certain additional items, notably manganese ore among exports and motor cars among imports.

A noteworthy change has recently taken place in the character of Indo-British trade. Whereas previously the balance of trade was almost invariably adverse to India it now appears from a comparison of the figures for the first ten months of the last two financial years that it is turning in favour of India. In the ten months April 1935—January 1936 imports of merchandise into India from the United Kingdom were valued at Rs. 43.48 crores and exports of Indian merchandise to the United Kingdom Rs. 42.04 crores, making a total of Rs. 85.52 crores. In the same period of 1936-37 imports were Rs. 39.74 crores and exports Rs. 51.01 crores, the total being Rs. 90.75 crores. Thus while in this period the total Indo-British trade has risen

by 5.23 crores, imports into India have declined by 3.74 crores and exports have increased by 8.97 crores; a passive balance of 1.44 crores has been converted into an active balance of 11.27 crores! This certainly seems to provide an answer to those who seek to prove that the United Kingdom has profited by the Ottawa Agreement at the expense of India. The Ottawa Agreements generally will be under revision during the next few months and it is possible that the opportunity will be taken to adjust them to a wider system in accordance with Mr. Eden's policy of political appeasement and economic collaboration. As an important producer of raw materials India will stand to gain appreciably from any measures tending towards a liberalisation of international trade and she has perhaps a contribution of her own to make in that direction by suitable tariff modifications. The policy of discriminating protection has been accepted as being in the interests of India, but within the limits of that policy reasonable adjustments may surely be made. We must always remember that eventually the countries which buy India's produce must pay their bills either in goods or services or both. A country which puts up high barriers against imports cannot expect in the long run to maintain its export trade at full capacity, and India is no more able to be self-sufficient than any other country in the world to-day.

Joint Town Planning Committee.

Your Excellency will recollect that at our meeting last year attention was called to the development of the Back Bay Reclamation area and an appeal was made to Government to plan ahead with an eye to the future. In the interval we have not found Government unsympathetic and as Chairman of the Back Bay Advisory Committee I should like to record my opinion that everything now possible is being done to develop the area in accordance with up-to-date principles with due regard, of course, to

the interests of the taxpayer, a vast sum of whose money has already been sunk in this particular scheme. Meanwhile development is taking place in other areas in which both the Government of India and the Government of Bombay as well as the Municipality are interested—namely Colaba Railway Lands and Queen's Road Estate. Criticisms of the proposed layout of these areas were freely expressed in the press and elsewhere. With the object of co-ordinating the views of the various unofficial public bodies interested the Chamber took the lead in the formation of a Joint Town Planning Committee comprising representatives of the Indian Merchants' Chamber, the European Association, the Western India Automobile Association, the Indian Roads and Transport Development Association, the Indian Institute of Architects and the Safety First Association as well as of our own Chamber. The Chamber's nominee was Sir John Abercrombie who presided over the Joint Committee. Our thanks are due to him for the skilful manner in which he has guided its deliberations and conducted negotiations with the Government officials concerned. I should like, if I may, to thank these gentlemen for their patience in listening to the Committee's representations and courtesy in meeting its wishes as far as possible. I think they will admit that it has been of advantage for the views of unofficial bodies to be co-ordinated and put to them through the medium of a Committee of this nature rather than by a series of separate representations. Owing to pressure of other work Sir John Abercrombie has had to resign from the Committee and his place is being taken by Mr. McIntosh, your new Vice-President.

Government have not set up a Town Planning Authority of their own, and if for any reason this is found impracticable I venture to commend to Your Excellency the suggestion that the scope of the Back Bay Advisory Committee might be extended so as to permit of it considering development and improvement schemes in other areas. It is already a fairly representative Committee but the

composition of it could no doubt be modified, should that appear desirable. In the meantime I would suggest that bodies or individuals who have criticisms or suggestions to make on the subject of town planning should abstain from addressing Government direct or rushing into print but submit them to the existing Town Planning Committee in the first instance.

General Trade Outlook.

I have referred very briefly to conditions during 1936, and perhaps I may now equally briefly venture to make a few remarks on the general trade outlook. In these unsettled days it is somewhat rash to attempt to prophesy, but can we not make general deductions from the principal factors? In Great Britain and certain Continental countries stupendous sums are being spent on re-armament. This is a regrettable necessity but, it by no means follows that war is imminent. Britain's foreign policy is based on the League Covenant and it is well known that her armed forces will never be used for any purpose at variance with League ideals. A strong Great Britain is therefore, in present circumstances, the most powerful antidote to war, and Mr. Eden's claim that the Government are making the greatest contribution in their power for the preservation of world peace is fully justified. It is very significant that the conflict in Spain has, despite anxious moments, been confined so far to that country. There is some encouragement to be got from that fact, and I think generally it may be said that the fears of an outbreak of war are not nearly so much in evidence as they were some six or eight months ago, and that there are signs of increasing confidence which is so necessary for any general improvement in international trade.

Making due allowance for the inflationist effects of war rumours from time to time there is none the less a sustained upward movement in the prices of the principal raw commodities and an active demand for them. That India,

and, incidentally, the Indian railways are now sharing in this is evidenced by the greatly increased traffic in two of the main export commodities—raw cotton and oilseeds. Another and most sensitive barometer of foreign trade, steamer freights, is definitely rising. The franc was devalued last September and we then witnessed the tripartite monetary agreement between that country, America and Great Britain, which has been welcomed as one of the first steps towards removing the shackles from international trade. It is only one step, but a most important one, and as prices of raw commodities and manufactured goods are coming slowly but surely into equilibrium I think it is reasonable to expect that in the not too distant future there will be a small break in the vicious circle of quotas, tariff barriers and exchange restrictions. France and other countries have already done something towards reductions in quotas and import duties. If the movement is to spread constructive effort will be required on the part of all the great trading countries of the world, including India. The material elements of prosperity—goods, money and transport—are waiting to be used as soon as there is any further decrease in economic nationalism. The tide of trade must inevitably ebb again some day but at present it is rising and in all the circumstances I am optimistic enough to think that a slow but steady rise will be the order of things for some time to come.

Centenary of the Chamber

Gentlemen, I must turn now, before I conclude, to domestic affairs. To me has fallen the signal honour of presiding over the Chamber during its centenary year. The occasion has made me deeply sensible of my responsibility in succeeding the long line of able and hard-working men who have done so much to help in moulding the destinies of Bombay. I endeavoured to give expression to these thoughts at our Centenary dinner last November which His Excellency was good enough to honour us by

attending. I need say no more now. As you are aware, we have thought the most fitting way to mark our centenary was to place on permanent record the achievements of the Chamber and the Secretary has been intermittently engaged in this somewhat formidable task for some time past. The work will very shortly be in the hands of the printers, and I make bold to say that the result will be fully commensurate with the time and labour involved. The necessity of placing the Secretary on special duty has thrown a great deal of additional work on Mr. Royal and the remainder of the staff and our thanks are due to them for the ready manner in which they have shouldered their burden.

I am sure you would wish me to offer our congratulations to a past President of the Chamber, Sir Geoffrey Winterbotham, on the honour of Knighthood conferred on him by the King-Emperor last June. Also to Mr. Royal, our invaluable and hard-working Assistant Secretary, who was honoured with the award of the M.B.E. last month.

You will be glad to see from the accounts before you that there has been a further improvement in the financial position of the Chamber. Although unfortunately there has been another fall in subscriptions received for statistical returns, this has been more than offset by increases in the Measurement fees and receipts from the issue of Certificates of Origin, which has rendered possible the restoration of the Chamber's contribution to the Staff Provident Fund to its former level of 8⅓% of the members' salaries. I am very glad that it has been found possible to effect this during my year of office and also to mark the occasion of the Chamber's centenary by the payment of a small bonus to the staff. I would take this opportunity of thanking them for their loyal and willing service.

I must express my acknowledgments to our Vice-President, Mr. Hogg, who is unfortunately prevented from

being present to-day. I am most grateful to him and my other colleagues on the Committee for their support and assistance in tackling the many questions that have come before us. Finally I would like to say that I think we are very fortunate in having secured Mr. Cooke and Mr. McIntosh as President and Vice-President, respectively, for the coming year. They will, I am confident, conduct the Chamber's affairs with ability and success.

Gentlemen, I move that the Report of the Committee of the Bombay Chamber of Commerce for the year 1936 be and is hereby adopted and confirmed.

MR. J. F. MACDONELL said :—Mr. President, Your Excellency and Gentlemen,—In the unavoidable absence of your Vice-President the duty of seconding this resolution has devolved on me. It is an honour I much appreciate and I shall endeavour to perform the task adequately to the best of my ability, although I cannot promise that all the views which I express will be in strict accordance with those of Mr. Hogg.

For instance, there is the question of Letters of Indemnity which has been causing merchants considerable embarrassment for some time past. Differences have arisen as to the nature of the guarantees to be given to Shipping Companies in return for the release of goods pending the production of Bills of Lading which may have been delayed for a variety of reasons. Since 1st July 1936 the Exchange Banks, on instructions from their London offices, have had to refuse to give unlimited guarantees as before but only to give guarantees to the extent of double the value of the goods. The Steamship Companies on the other hand decline to give delivery of any consignments except against unlimited guarantees. There is no doubt that in adopting this attitude both parties are strictly within their legal rights. Meanwhile the unfortunate merchant through no fault of his own has to pay the various Port Trust charges

and experience delays in getting delivery of goods for which in many cases he has already paid in full some time before. It may be argued that he should protect himself by insisting on the shipper forwarding documents in good order and in time, But mistakes do occur and delays do take place in air and sea and train mails. On enquiry at other ports we ascertained that the difficulty had either not arisen in Calcutta, Rangoon, Madras and Colombo, or had been successfully overcome, and only in Bombay do we appear to have reached a deadlock. The Exchange Banks have already agreed to bear a share of what risk there may be by countersigning guarantees to the extent of 200 per cent., and I cannot refrain from remarking that I think the shipping companies could quite reasonably go some way to meet the convenience of merchants whose goods are shipped by their steamers. After all, the occasions on which we would have to ask for such consideration are likely to be comparatively few.

Bombay Stock Exchange Enquiry.

The enquiry which Mr. Morison and his colleagues have been conducting into the organisation and working of the Native Share and Stock Brokers' Association is a matter of considerable interest to investors. In 1925 the Association proposed to make certain amendments in the rules for the regulation and control of transactions in securities. Asked for their views the Committee of the Chamber expressed the opinion that it was very undesirable that comprehensive amendments such as those proposed should be made unless the proposals had first been examined by an expert Committee. I believe I am right in saying that it was owing to Your Excellency's interest in the matter that the present Enquiry Committee was appointed. In the statement of views submitted to the Committee we have recommended fortnightly settlements and a minimum scale of brokerage as checks to speculation or, I should say, excessive speculation, for it would

be to fly in the face of common sense and human nature to attempt to stop the intelligent anticipation of the probable course of markets. For this reason we are not opposed to forward dealings provided such dealings are properly regulated and controlled.

The Stock Exchange Enquiry Committee issued a questionnaire which afforded us an opportunity of elaborating our views. The Hon'ble Mr. Parker and Mr. Storrar gave oral evidence on behalf of the Chamber. The Enquiry Committee have had exceptional opportunities of studying the working of the local Stock Exchange, for during their stay in Bombay an orgy of speculation has been in progress and share values have been pushed up to absurd heights. The report of the Committee has only been issued in the last few days. It contains recommendations that are calculated to bring the gambling mania in Bombay under greater control. Personally, I feel that fortnightly settlements will make for more healthy business and will have eventually to be introduced. We trust that Your Excellency's Government, after the necessary consultations, will lose no time in framing measures to give effect to the Committee's recommendations.

Income-tax.

There has recently been published a most important document, the Report of the three experts appointed by the Government of India to examine the whole system of income-tax in India both as regards the incidence of the tax and the administration of the Act. So far as the Chamber is concerned this report is at present being examined by a special Sub-Committee, so I do not intend to comment on any of the recommendations made in it. I feel sure the new Committee will individually and collectively give the different points the full consideration they require. I would like to add that if members of the Cham-

ber who have not already done so have any observations to make there is still time if they will put them forward within the next week or so.

COTTON BUYERS' ASSOCIATION.

Most of the members of the Chamber interested in raw cotton have joined the recently formed Cotton Buyers' Association. This Association is made up of exporters and millowners and, although in particular cases these parties are often on opposite sides as sellers and buyers, their common interest in the proper control of business in actual cotton has led to the formation of this new Association. Their object is to ensure that their representatives on the Buyers' Panel in the East India Cotton Association will be able to give with authority the views of those most interested in actual cotton—I think there is little doubt that the cotton trade of Bombay will benefit considerably from the co-ordinated views and experience of this new body.

I now have great pleasure in seconding the resolution.

"That the Report of the Committee of the Bombay Chamber of Commerce for the year 1936 be and is hereby adopted and confirmed."

The report was then adopted unanimously.

HIS EXCELLENCY THE GOVERNOR said :—Mr. Halsall and Gentlemen,—I should, in the first place, like to thank you for the very kind welcome you have given me to-day. This is the fourth year in which I have had the opportunity of being present at your annual general meeting, and it is also, I regret to say, the last. I think all you gentlemen know how happy Lady Brabourne and I have been in Bombay, and that you will realise how much we regret the necessity of parting from our many friends in the Presidency more than a year before the normal moment for so doing.

You, Mr. President, have given as your considered view of the general trade outlook that a slow but steady rise will be the order of things for some time to come. I do not think that there could be any better prospect for a great commercial city. Sudden rises, as we know only too well, are apt to be followed by sudden falls. A steady and continuous recovery and improvement is what we want. The promise of better trade has already produced some extravagant and unwholesome speculation. What Bombay needs after the recent years of severe depression is less hysterical hunting for unduly large profits and more steady development of the opportunities for making reasonable returns from genuine trading.

Only the day before yesterday the Stock Exchange Enquiry Committee's report was made public, and you are doubtless, by now, familiar with its proposals. It is fortunate that the Committee were able to observe the disease of irrational speculation running its hectic course, and it is to be hoped that the measures to prevent it which will be taken in consequence of their report will be successful in so doing, without hampering that healthy form of speculation, if it can be so called, which is merely the outcome of commercial enterprise and foresight.

I hope, too, that the formation of the Cotton Buyers' Association will strengthen and develop the organisation of the Bombay Cotton Market. I shall watch its progress with interest.

The controversy between the rival rail and road interests has been prominent during the year, and the Central position given by the Niemeyer Report to the question of railway finance has tended to the laying of undue stress on the necessity of the railways showing a good return on the capital invested. We have a similar problem in the money sunk in our irrigation canals and in the Back Bay Reclamation. It would not, I think, be a correct state-

ment of the case to say that so much money having been sunk a return on it at some definite rate of interest is essential. That may not be possible, nor is it sound in principle. The vastness of the sum expended does make it essential that the highest possible return on the principal should be obtained, but an increase in the return should not be sought at the expense of the good of the country as a whole. The problem of the adjustment of road and rail traffic can only be dealt with satisfactorily if the object is to develop the two with the single object of providing that system of communications which will best serve the needs of the country. If this object is kept clearly in view, the difficult task of reconciling the rival claims of the two interests will not be an impossible one.

The monsoon has been far from good, and this has necessarily reduced Government revenue. All the same, the new Government will start with a balanced budget, but one which is only just balanced. The Central Government, although its outlook is not unfavourable, is not likely to be able to hand over any appreciable amount of income-tax to the provinces, at any rate for a considerable time. Provinces will, therefore, have to depend on their own financial resources. The present equilibrium allows of no great increased expenditure without an increase in taxation, and, however desirable an extension of certain social services may be, it will be necessary to count the cost and find a means of meeting it before any increased spending is undertaken. Whether the country is able or willing to bear increased taxation is a question which its elected representatives will have to decide for themselves.

In conclusion I should like to say what a great pleasure it has always been to me during my term of office to meet you as a Chamber and individually, and to assure you of the keen interest which I shall always take in your welfare.

Sir Ness Wadia, K.B.E., C.I.E., in proposing a vote of thanks to the Committee, said:—Your Excellency and

Gentlemen,—The resolution that has been put into my hands to propose is as follows :—

" That the thanks of the Chamber be tendered to the President, the Vice-President and the outgoing Committee for their able conduct of the affairs of the Chamber during the past year."

It gives me much pleasure to do so, as I can realise —as no other man can—having watched the work of the Chamber for the last 40 years, that it has increased from year to year and now it is nearly four times what it was forty years ago. Last year was the Centenary year of the Chamber and this is the Centenary report, and therefore it is only fitting that I as the old veteran should be asked to propose this resolution.

The Chamber could not have had a better President than Mr. Halsall. He has done splendidly in spite of the extra heavy work involved in celebrating the Centenary year. Those of us who have seen him working cannot but admire him, and I must congratulate him and the Committee in making the Chamber a live body embracing all sections of the trade and not, as it used to before, only a section of the trade. I hope his successors will continue to manage the Chamber in the same spirit in future and keep before them the ideal that the Chamber of Commerce, Bombay, exists to look after the trade of Bombay as a whole.

The work of the President and the Committee has been further materially increased by the mass of legislation that has been put through lately both by the Imperial as well as the Provincial Governments. We have had a plethora of legislation and are now suffering from indigestion, and the latest example is the Weights and Measures Act passed by the Government of Bombay and the Rules made thereunder. We are asked to keep all our scales in

order, so sensitive that a 6-cwt. scale should not vary more than 1½ ozs., as if we were going to weigh gold on such a big scale. It is time we had some rest from legislation.

I am sorry our Vice-President, Mr. Hogg, has been transferred to Calcutta and is not with us. We miss him to-day, but I would associate him also in my thanks for the work done by the Committee of the Chamber during the past year. Calcutta has got into the habit of stealing our best men, and the highest, and it is time we put a stop to this practice by even declaring a *hartal* if we can.

I would not say more, because all of you well know the work which the President, Vice-President and the outgoing Committee have done during the past year, and therefore I now formally move the resolution which I have just read out to you.

In seconding the proposition MR. W. T. LANE said he did so not as a matter of form but in sincere appreciation of the extraordinarily good work the Committee had put in.

The resolution was carried with acclamation.

SIR GEOFFREY WINTERBOTHAM proposed, MR. A. E. BLAIR seconded, and it was agreed :—

"That the nomination of the following members of the Committee of the Bombay Chamber of Commerce for the year 1937-38 in accordance with the provisions of Article 37 (*g*) be and is hereby confirmed :—

MR. R. W. BULLOCK.
MR. N. W. CHISHOLM.
MR. W. M. PETRIE.
MR. E. C. REID, M.C.
MR. F. STONES, O.B.E.
MR. J. R. D. TATA.
MR. G. S. TAUNTON."

SIR JOSEPH KAY proposed, MR. J. B. GREAVES seconded, and it was agreed :—

"That MESSRS. A. F. FERGUSON & Co. be and are hereby elected Auditors of the Chamber's accounts for the year 1937 at the remuneration hitherto paid to them."

MR. G. H. COOKE in proposing a vote of thanks to His Excellency the Governor said :—Mr. President, Your Excellency and Gentlemen,—The honour has fallen to me to-day of proposing a very hearty vote of thanks to His Excellency the Governor for his most interesting address and for his presence amongst us once more at our Annual Meeting.

This is the fourth consecutive year in which His Excellency has honoured us with his presence at our Annual Meeting, and until a few days ago we were hoping that it would not be the last occasion on which we should be so honoured. We now learn with regret that this must be the last opportunity we shall have of expressing at one of our General Meetings how very greatly we appreciate the very keen interest which His Excellency has always shown in the commercial affairs of this City and of the Presidency.

We are well aware, Sir, of the many and various calls which are made upon your time and in particular must this be so at the present juncture. We are indeed grateful to you for coming here to-day and for the encouragement which you have always given us by your sympathetic consideration and understanding of the many problems with which the Chamber has to deal, and if I may say so, Sir, we shall regard your departure with a sense of personal loss because we have always felt that you have taken a personal as well as an official interest in our undertakings.

It is not our intention to bid farewell to Your Excellency to-day because we are confident, Sir, that you will continue

to extend to us the same consideration, as you have always shown us, up to the time of your departure, which happily is not until next September.

Gentlemen, I now beg to propose a very hearty vote of thanks to His Excellency, Lord Brabourne, for his presence here to-day and to tender to him on behalf of the Chamber our good wishes for his future in the high office to which it has pleased His Majesty to call him, when he relinquishes the Governorship of this Presidency.

The proposition was carried with acclamation.

A vote of thanks to the President terminated the proceedings.

Bombay Chamber of Commerce

ANNUAL REPORT FOR 1936

ELECTION OF PRESIDENT AND VICE-PRESIDENT OF THE CHAMBER FOR THE YEAR 1937-38.

In accordance with the prescribed regulations, MR. G. H. COOKE and MR. A. MCINTOSH were elected President and Vice-President, respectively, of the Chamber for the year 1937-38.

COUNCIL OF STATE.

CHAMBER'S REPRESENTATIVE.

The General Elections for the Council of State took place in December 1936 and the HON'BLE MR. R. H. PARKER was re-elected to represent the Chamber.

BOMBAY LEGISLATIVE COUNCIL.

CHAMBER'S REPRESENTATIVES.

In January 1936 MR. W. G. LELY, one of the Chamber's representatives in the Bombay Legislative Council, resigned his seat and MR. J. B. GREAVES was elected to serve in his stead. In April 1936 SIR JOHN ABERCROMBIE, the other representative of the Chamber in the Bombay Legislative Council, resigned his seat and MR. L. A. HALSALL was elected to serve in his stead.

In August 1936 MR. HALSALL and MR. GREAVES resigned their seats and MR. A. K. G. HOGG and MR. V. F. NOEL-PATON were elected respectively to serve in their stead.

BOMBAY LEGISLATIVE ASSEMBLY.

CHAMBER'S REPRESENTATIVE.

Under the Reformed Constitution the Chamber and the Bombay Presidency Trades Association, Ltd., are entitled jointly to three seats in the Bombay Legislative Assembly which will take the place of the present Bombay Legislative Council. One of the seats has to be reserved for the Bombay Presidency Trades Association, Ltd. Formerly the Secretary of the Chamber was the Returning Officer for the Bombay Chamber of Commerce constituency. But under the new regulations the Collector of Bombay is the Returning Officer.

In March 1936 the Chamber was called upon to prepare an Electoral Roll for the combined constituency, and forward it to the Collector of Bombay. This was done and the first publication of the Roll was made on the 11th August 1936 and the final publication on the 5th October 1936.

Under Resolution No. R.379/1 of the 5th December 1936, the Government of Bombay called upon the Chamber and the Bombay Presidency Trades Association to elect members to the Bombay Legislative Assembly which will come into being when the new Government of India Act comes into force on the 1st April 1937.

SIR JOHN ABERCROMBIE and MR. G. O. PIKE were elected by the Chamber and MR. F. W. CHARLESWORTH was elected by the Bombay Presidency Trades Association, Ltd.

BOMBAY PORT TRUST.

CHAMBER'S REPRESENTATIVES.

In February 1936 MR. W. G. LELY, one of the Chamber's representatives on the Board of Trustees of the Port

of Bombay, resigned his seat and MR. (now SIR) GEOFFREY L. WINTERBOTHAM was elected to serve in his stead. Later MR. J. J. FLOCKHART also resigned his seat and MR. A. K. G. HOGG was elected to serve in his stead.

In March 1936 MR. R. C. LOWNDES, another of the representatives of the Chamber on the Board of Trustees, obtained three months' leave of absence from the Board meetings and MR. E. C. REID was elected to serve during his absence. MR. G. H. COOKE also obtained 8 months' leave of absence and MR. L. A. HALSALL was elected to serve during his absence.

BACK BAY STANDING ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In April 1936 SIR JOSEPH KAY, the Chamber's representative on the Standing Advisory Committee for the Back Bay Reclamation Scheme, and Chairman of that Committee, resigned his seat on proceeding to Europe and MR. L. A. HALSALL was nominated to serve in his stead. MR. HALSALL was also appointed Chairman of the Standing Advisory Committee by Government.

SYDENHAM COLLEGE OF COMMERCE AND ECONOMICS.

CHAMBER'S REPRESENTATIVE ON ADVISORY BOARD.

Since the inauguration of an Advisory Board to the Sydenham College of Commerce and Economics in 1913 the Chamber was entitled to nominate two representatives to serve on the Board. The Board was reconstituted in 1936 and the Chamber became entitled to nominate only one representative. The Committee duly nominated MR. A. G. GRAY to serve for a period of three years from the 25th May 1936.

AUXILIARY FORCE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

The term of office of the Advisory Committee for the Bombay District under the Auxiliary Force Act, 1920, expired on the 20th August 1936 and the Committee of the Chamber renominated MR. V. F. NOEL-PATON to serve as the Chamber's representative for the year 1936-37.

TRAFFIC COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In August 1936 MR. J. R. D. TATA was nominated to serve as the Chamber's representative on the Traffic Committee during the absence on leave of MR. A. MCINTOSH.

INDIAN CENTRAL COTTON COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In April 1936 MR. A. A. SARANTIDES, the Chamber's representative on the Indian Central Cotton Committee, resigned his seat and the Committee nominated MR. M. S. DURUTTI to serve in his stead.

BOMBAY BOARD OF COMMUNICATIONS.

CHAMBER'S REPRESENTATIVE.

In March 1936 MR. G. H. COOKE, the Chamber's representative on the Bombay Board of Communications, resigned his seat on proceeding on leave and MR. G. O. PIKE was nominated to serve in his stead.

G. I. P. RAILWAY LOCAL ADVISORY COMMITTEE.

Chamber's Representative.

The term of office of Mr. L. A. Halsall as the Chamber's representative on the G. I. P. Railway Local Advisory Committee expired with effect from the meeting held in May 1936 and the Committee renominated him to serve for a further period of two years.

GOVERNING BODY OF THE I.M.M.T.S. "DUFFERIN."

Chamber's Nominee.

In March 1936 the Government of India informed the Chamber that Mr. J. J. Flockhart who was representing British shipping on the Governing Body of the Indian Mercantile Marine Training Ship, "Dufferin," had resigned his seat owing to his departure on leave. Government stated that hitherto they had themselves selected the representative of British shipping interests, but they considered that the appointment of a representative of such interests would be on a more satisfactory basis if the Bombay Chamber of Commerce were asked to nominate a representative. The Chamber was consequently asked to nominate a representative in place of Mr. Flockhart. The Committee nominated Mr. A. K. G. Hogg and in doing so enquired whether they were to take it as a standing arrangement that they were to nominate the representative of British shipping interests when vacancies occurred in the future owing to the serving member resigning or going on leave.

The Government of India in reply stated that such would be the case.

A notification was issued by the Government of India on the 18th April 1936, intimating that Mr. Hogg had been appointed a Member of the Governing Body for a period of two years with effect from the 18th April 1936.

INDIAN SAILORS' HOME COMMITTEE.

CHAMBER'S REPRESENTATIVE.

MR. J. J. FLOCKHART, the Chamber's representative on the Committee of the Indian Sailors' Home, Bombay, having proceeded on leave in April 1936, the Committee of the Chamber nominated MR. W. KEAY to serve in his stead.

ROYAL BOMBAY SEAMEN'S SOCIETY.

CHAMBER'S REPRESENTATIVE.

In February 1936 the Committee re-nominated Mr. R. J. F. SULIVAN to serve as a member of the Royal Bombay Seamen's Society under the provisions of Rule 1(e) of the Rules and Regulations of the Society.

THE CHAMBER'S RECORDS.

In July 1930 all the old records of the Chamber were placed in zinc-lined teakwood cases and deposited for safe custody in the strong-room of the Imperial Bank of India. In September of the same year some water entered the strong-room due to heavy rain. It was not thought at the time that any material damage had been done to the records as the cases did not show any external dampness. In November 1935 it was found necessary to open one of the cases as the documents were required in connection with the preparation of the history of the Chamber. It was then discovered that the contents had been saturated with water and the books, etc., were completely spoiled. A second case was also opened and its contents were found to be partially damaged. The remaining seven cases were subsequently opened and the contents of two of these were also found to be damaged and had to be destroyed.

CENTENARY OF THE CHAMBER.

(*See Report* 1935, *page* 11.)

It was noted in the Chamber's Report for 1935 that in order to commemorate the centenary of the Chamber's existence it was decided to place on permanent record the achievements of the Chamber during the past 100 years and that Mr. R. J. F. Sulivan was put on special duty for the purpose of compiling a history of the Chamber. The Chamber was founded on the 22nd September 1836. Many messages including one from His Excellency the Viceroy and one from His Excellency the Acting Governor of Bombay, were received by the Committee congratulating the Chamber on the completion of its centenary on the 22nd September 1936. His Excellency the Viceroy's message read as follows :—

"I send my warm congratulations to the Bombay Chamber of Commerce on the celebration of its Centenary. The record of the Chamber is one of much distinction; its activities have been of the most varied character; and the work which it has performed throughout its long and useful life has been of the greatest value to the Presidency of Bombay and indeed to commercial and general interests in India as a whole. It is my sincere trust that the close and active interest in trade and commerce which the Chamber and its individual members have for so many years displayed with so much profit to the commercial life of the Presidency will continue to characterize it, and it is a great pleasure to me to be able now to express my good wishes for the maintenance in the future of the activity and the public spirit which have been its distinguishing marks in the past."

The following reply was sent by the President to the Private Secretary to His Excellency :—

"Will you kindly convey to His Excellency the Viceroy the cordial thanks of the Committee and members of the Chamber for the gracious message of congratulation which His Excellency has been pleased to send the Chamber on the celebration of its Centenary. The kindly terms in which His Excellency's message is expressed are greatly appreciated by all members who are sincerely gratified that the usefulness of the work performed by the Chamber is recognised by the Head of the Administration of this country."

The message from His Excellency the Acting Governor of Bombay read as follows :—

"I send my hearty congratulations to the Chamber on the celebration of its centenary. The Chamber is the focus of the commercial life of Bombay as a port, as an international market and as the greatest cotton centre in India. In congratulating the Chamber on its long and useful career and wishing it success and prosperity in the future, I am expressing my hopes for the commercial welfare of Bombay."

The members of the Chamber held a dinner at the Taj Mahal Hotel on the 19th November, when His Excellency the Governor of Bombay was the principal guest. The speeches delivered by His Excellency in proposing the toast of the Bombay Chamber, the President's reply, the speech of the Vice-President in proposing the health of the guests and the Hon'ble Sir Robert Bell's reply are printed in full in the Appendices.

PORTRAIT OF SIR FRANK FORBES ADAM.

(*See Reports* 1890, *page* 219 ; 1891, *page* 230.)

As the portrait in oils of Sir Frank Forbes Adam, Chairman of the Chamber from 1883 to 1889, needed cleaning and restoring, the Committee entrusted the work to Mr. W. E. Gladstone Solomon, the Director of the Sir J. J. School of Art, Bombay.

MONUMENT TO THE LATE MR. JOHN MARSHALL.

(*See Reports* 1902, *page* 137 ; 1903, *page* 13.)

As the tombstone erected by the Chamber in 1902 at Sewri Cemetery over the grave of the late Mr. John Marshall, Secretary of the Chamber from 1884 to 1898, was found to be in a state of disrepair, the Committee decided to have the monument pulled down, cleaned and re-erected. The Committee also handed over to the Bombay Christian Burial Board Government 3½ per cent. Promissory Notes of the face value of Rs. 200 for the upkeep of the monument in perpetuity.

SUB-COMMITTEES.

The undermentioned gentlemen were nominated to serve on the following Sub-Committees of the Chamber for the year 1936-37 :—

Import.

Mr. A. L. Hutson (*Chairman*).
,, W. J. Burrows.
,, H. G. Davies.
,, H. A. Henry.
,, A. Sotiriadi.
,, F. Whitehead.
Dr. W. Winterhalder.

Shipping and Export.

Mr. W. Keay (*Chairman*).
,, D. Stewart Brown.
,, C. J. Damala.
,, B. R. T. Greer.
,, Meyer Nissim.
,, R. H. Tucker.

Finance.

Mr. A. G. Gray (*Chairman*).
Sir Kikabhoy Premchand, KT.
Mr. D. Laidlaw.
,, T. G. Mackenzie.
,, A. McCulloch.
The Hon'ble Mr. R. H. Parker

Docks and Railways.

Mr. D. Harrington (*Chairman*).
,, A. J. Bebbington.
,, J. G. Milne.
,, G. D. Moore.
,, E. J. Pakes.
,, J. H. F. Raper.

Income-tax.

Mr. C. N. Caroe (*Chairman*).
,, G. A. H. Alexander.
,, B. J. Whitby.

Labour.

Mr. W. Keay (*Chairman*).
Capt. W. D. Bacon.
Mr. R. Mather.
,, H. G. Pirrie.
,, Neville N. Wadia.

Industries.

Mr. S. O. Sundgren (*Chairman*).
,, W. J. Ballantyne.
,, R. L. Ferard.
,, D. A. Fyfe.
,, H. G. Pirrie.

Statistics.

Mr. S. Fuchsmann (*Chairman*).
,, R. P. Smith.
,, J. E. Tew.
,, Evelyn Wood.

Cotton.

Mr. J. Vonesch (*Chairman*).
,, C. P. Bramble.
,, M. Durutti.
,, H. B. Moore.
,, R. G. Saraiya.
,, F. B. Thornley.
,, Tulsidas Kilachand.

Electricity.

Mr. A. S. Trollip (*Chairman*).
,, E. J. C. Herring.
,, W. S. Nelson.
,, V. F. Noel-Paton.
,, H. G. Sale.

Weather Working Days.

Mr. A. K. G. Hogg (*Chairman*).
,, F. H. French.
,, J. F. Macdonell, M.C.

MR. A. L. HUTSON resigned his seat from the Import Sub-Committee in July 1936 and MR. W. C. DEACON was nominated to serve in his stead. MR. DEACON was also elected Chairman of the Sub-Committee.

MR. J. H. F. RAPER resigned his seat from the Docks and Railways Sub-Committee in May 1936, and MR. G. E. BERKLEY was nominated to serve in his place. In October 1936 MR. BERKLEY resigned and MR. RAPER was again nominated. MR. F. J. KENNEDY was nominated in May 1936 to serve during the absence on leave of MR. A. J. BEBBINGTON. MR. G. D. MOORE resigned his seat from the Docks and Railways Sub-Committee in December 1936 and MR. W. T. ALDOUS was nominated to serve in his place.

MR. G. M. BATHGATE was nominated to serve on the Income-tax Sub-Committee in August 1936 during the absence of MR. P. J. WHITBY.

MR. F. B. THORNLEY resigned his seat from the Cotton Sub-Committee in May 1936 and MR. W. G. MCKEE was nominated to serve in his stead. MR. J. VONESCH resigned his seat in November 1936. MR. H. B. MOORE resigned his seat in January 1937.

MR. W. KEAY was nominated to serve on the Weather Working Days Sub-Committee in September 1936 during the absence of MR. A. K. G. HOGG.

MR. W. S. NELSON resigned his seat on the Electricity Sub-Committee in December 1936.

MEMBERSHIP OF THE CHAMBER.

The total membership of the Chamber on the 1st January 1937 was 192 against 191 at the beginning of 1936. The following are the names of members elected:—

Messrs. Drennan & Co. Proposed by the Bombay Dyeing and Manufacturing Company, Ltd., and seconded by Messrs. Wallace & Co.

Messrs. Remington Rand Inc. Proposed by Messrs. Mackinnon Mackenzie & Co. and seconded by the National Bank of India, Ltd.

Messrs. Sharp and Tannan. Proposed by Messrs. Greaves Cotton & Co., Ltd., and seconded by Messrs. Wilson Latham & Co., Ltd.

The United Eastern Agencies, Ltd. Proposed by the Tata Hydro-Electric Co., Ltd., and seconded by Messrs. Tata Sons, Ltd.

Messrs. Premchand Roychand & Sons, Ltd. Proposed by the National Bank of India, Ltd., and seconded by the Bank of India, Ltd.

Messrs. Ford, Rhodes and Parks. Proposed by Messrs. Wilson Latham & Co., Ltd., and seconded by the Chartered Bank of India, Australia and China.

The Texas Company (India), Ltd. Proposed by the National City Bank of New York and seconded by Mr. G. A. H. Alexander.

Messrs. Rodocanachi & Co. Proposed by Messrs. Ralli Brothers, Ltd.. and seconded by the Anglo-Siam Corporation, Ltd.

Messrs. Herbertsons, Ltd. Proposed by the National Bank of India, Ltd., and seconded by Messrs. Craigie, Blunt and Caroe.

The following resigned their membership of the Chamber :—

Messrs. Owen and Okell.

Messrs. Premchand Roychand & Sons.

Messrs. James Taylor & Co. (Merchants), Ltd.

Mr. T. W. Brough.

Messrs. Jamnadas Meghji & Co.

Messrs. Herbert Son & Co., Ltd.

Messrs. Steiners, Ltd.

The Goodyear Tyre and Rubber Co. (India), Ltd.

RELATIONS BETWEEN THE CHAMBER AND THE BOMBAY UNDERWRITERS ASSOCIATION AND BOMBAY FIRE INSURANCE ASSOCIATION.

In November 1936 the Committee of the Chamber placed on record the fact that they were always ready to co-operate with the Bombay Underwriters Association and the Bombay Fire Insurance Association on any matter of mutual interest. This was done at the request of an insurance member of the Chamber who desired the Committee to confirm that it would be in order for either of the above Associations to co-operate and correspond direct with the Chamber on matters of mutual interest instead of through an Insurance Company, member of the Chamber.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

ANNUAL GENERAL MEETING, 1936.

The annual general meeting of the Associated Chambers of Commerce of India was held at Calcutta on the 21st and 22nd December 1936. The proceedings were opened by His Excellency the Right Honourable the Marquess of Linlithgow, P.C., K.T., G.C.S.I., G.C.I.E., O.B.E., D.L., T.D., Viceroy and Governor General of India. This Chamber was represented by MR. L. A. HALSALL, President of the Chamber, and MR. A. K. G. HOGG, Vice-President of the Chamber.

The following is a list of subjects in connection with which resolutions were adopted unanimously by the meeting:

1. Exclusion of holding companies from participation in the benefits of super-tax exemption conferred upon investment companies.
2. Relief from double taxation of income.
3. The remaining surcharge on income-tax and super-tax.
4. Registration of Trade Marks.
5. Assignability of marine policies and subrogation.
6. Standardisation of weights and measures.
7. Indian Companies (Amendment) Act, 1936.
8. International Telegraph Conference at Cairo, 1938: Telegraph and Cable Communications.
9. Shortcomings of the Posts and Telegraphs Services.
10. Extension of the telephone system.
11. Communications.
12. Trade Statistics.
13. Threat to Indian industries caused by the subsidising of exports from other countries either directly or by barter proposals.

The following resolution was carried *nem con*:—

14. Salt Import Duty.

The following resolution was withdrawn after discussion:

15. Air Mail Services.

Of the above resolutions, Nos. 4, 5, 12 and 15 were moved by the Bombay Chamber.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

DEPUTY PRESIDENT.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 21st and 22nd December 1936, the following resolution was adopted unanimously :—

"That the Bombay and Calicut Chambers of Commerce be and are hereby elected under the provisions of Article 15 of the Articles of Association to nominate each a Deputy President for the year 1936-37."

The Committee nominated the President of the Chamber for the time being to be a Deputy President of the Associated Chambers.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH

REPRESENTATIVE OF ASSOCIATED CHAMBERS.

In August 1936, SIR JOSEPH KAY, KT., the representative of the Associated Chambers of Commerce of India on the Governing Body of the Imperial Council of Agricultural Research, resigned his seat on proceeding on leave and MR. R. SCHERER was nominated to serve in his stead.

MR. SCHERER attended the meeting of the Governing Body of the Council held at Simla on the 28th August 1936, and subsequently submitted to the Associated Chambers a brief report of the meeting.

In his report MR. SCHERER referred to the opening address by His Excellency the Viceroy, and remarked that the occasion was of special significance in so far as the Council owed its existence to Lord Linlithgow who nearly nine years ago as Chairman of the Royal Commission on Agriculture, recommended its institution and who as Viceroy of India continued to take a great personal interest in its activities. Among the subjects discussed at the meeting the ones of particular interest to the Chambers were :—

(1) the decision to obtain the services of two eminent scientists from home, Sir John Russell, D.SC., F.R.S., and Dr. N. C. Wright, PH.D., for the purpose of undertaking

a scientific survey of the manner and the extent to which the Research Council had discharged its primary duties of co-ordinating and promoting agricultural and veterinary research and also of suggesting the possible lines of future development. The two scientists arrived in India at the beginning of November 1936;

(2) an important principle was adopted at the meeting which laid down that the Provinces and Indian States which directly benefited by new schemes or extensions of existing ones should in future bear a portion of the cost involved; and

(3) during the discussion of the agricultural marketing scheme it was strongly urged by some of the members that if the prices of certain agricultural products were to be broadcast in future, it would be of great assistance to the farmers in all parts of India, if these prices could be based on standardised weights and measures instead of local weights and measures which might be totally unknown in many parts of the country.

On the return to India of SIR JOSEPH KAY in December 1936, MR. SCHERER resigned his seat and SIR JOSEPH KAY was nominated to serve in his stead.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

MEMBERSHIP.

At the close of the formal business of the Associated Chambers at their annual meeting in December 1935 the question was raised of the position of the Burma Chamber *vis-a-vis* membership of the Association on the separation of Burma from India consequent upon the inauguration of the new constitution for India on the 1st April 1937. It was the Burma Chamber's desire to remain in the membership of the Association, and it was decided that the Memorandum and Articles of the Association should be examined with a view to a resolution being submitted at the 1936

annual meeting of the Associated Chambers, proposing such alterations in the Memorandum and Articles as would permit of the Burma Chamber's wish being granted.

With this object in view the President examined the Memorandum and Articles of Association and came to the conclusion that these were capable of amendment to permit of the admission of the Burma and other like Chambers, e.g., Ceylon which would be or were at the moment situated outside India, as "Associate" Members having all the privileges of Membership and paying membership subscriptions on the same basis as ordinary members, but without having any vote or say in the business or management of the affairs and the funds of the Association.

Notice was accordingly given that a resolution would be put forward at the annual meeting of the Association in December 1936 which would give effect to the above.

The resolution was submitted to the meeting and duly carried.

CENTRAL ADVISORY COMMITTEE FOR LIGHT-HOUSES.

CHAMBER'S NOMINEE.

(*See Report* 1935, *page* 3.)

In March 1936 MR. J. J. FLOCKHART, one of the representatives of the Associated Chambers of Commerce of India on the Central Advisory Committee for Light-houses, resigned his seat on transfer from Bombay and the Committee of the Chamber nominated MR. A. K. G. HOGG to serve in his stead. MR. HOGG's name was submitted to the Government of India by the Associated Chambers.

In March 1936 intimation was received from the Associated Chambers of Commerce of India that at a meeting of the Central Advisory Committee for Lighthouses held on the 18th January 1936, the following proposals were agreed to :—

1. The replacement of the Lightvessel "Martaban" in the Rangoon Lighthouse District.

2. The improvement to the Mahabalipur (Seven Pagodas) Lighthouse in the Madras Lighthouse District.

3. The fencing round the Pulicat Lighthouse in the Madras Lighthouse District.

4. The improvement to the Oyster Island Lighthouse in the Rangoon Lighthouse District.

5. The construction of a visitor's Rest House at the Oyster Island Lighthouse in the Rangoon Lighthouse District.

6. The construction of quarters for workmen at the Oyster Island Lighthouse in the Rangoon Lighthouse District.

The Committee also considered the question of the maintenance of the Experimental Wireless Station at Kennery (Kundari) Island near Bombay and the apportionment of the cost of its erection between the Bombay Port Trust and the Government of India and agreed as follows :—

(*a*) that the beacon should remain the property of Government;

(*b*) that it should continue to be maintained by the Bombay Port Trust on behalf of the Government of India;

(*c*) that the capital cost including the cost of erection should be divided between the Government of India and the Bombay Port Trust in the proportion of 75 per cent. to 25 per cent.; and

(*d*) that the cost of the maintenance of the beacon should, with effect from 1st April 1936, be divided between the Government of India and the Bombay Port Trust in the proportion of 75 per cent. to 25 per cent.

The question of a reduction in the rate of light dues was again raised, but the matter was not pursued as the general feeling was that it should be left over for consideration at a later date.

LEGISLATIVE ASSEMBLY.

Representative of the Associated Chambers.

(*See Report* 1935, *page* 17.)

In January 1936 Mr. J. H. Blackwell, the representative of the Associated Chambers of Commerce of India in the Legislative Assembly, resigned his seat and Mr. L. C. Buss was nominated to serve in his stead.

FEDERATION OF CHAMBERS OF COMMERCE OF THE BRITISH EMPIRE.

Additional Member of Council.

(*See Reports*, 1930, *Vol. I, page* 12 ; 1931, *Vol. I, page* 15 ; 1934, *Vol. I, page* 5.)

In the Chamber's Report for 1934 it was recorded that on the suggestion of this Chamber THE HON'BLE MR. (now SIR) ERNEST MILLER had been appointed by the Associated Chambers of Commerce of India as an additional member to the Council of the Federation of Chambers of Commerce of the British Empire. SIR ERNEST MILLER resigned his seat in February 1936 and MR. A. L. B. TUCKER, B.SC., of the Bengal Chamber was appointed to the vacant seat.

FEDERATION OF CHAMBERS OF COMMERCE OF THE BRITISH EMPIRE.

Fourteenth Congress.

The Committee of the Chamber supported the nomination of MR. S. H. TAYLOR of the Upper India Chamber of Commerce as a delegate representing the Associated Chambers of Commerce of India at the fourteenth Congress of the Chambers of Commerce of the British Empire which was held at Wellington, New Zealand, in October 1936.

A copy of the agenda was received in July 1936 and the Committee in addressing the Associated Chambers expressed the opinion that the Association need not concern itself particularly with the resolutions concerning the Ottawa Agreements as negotiations for a new Agreement between India and the United Kingdom would be in progress by the time the Congress met. The Committee expressed themselves in favour of supporting resolutions on the following subjects :—

Monetary Policy.

Taxation within the Empire of non-residents trading through agents.

Customs certificate of value and origin.

Preserving British shipping services.

International telegraph charges.

Parcel Post.

Preference for petroleum and its products.

Wireless communications.

Air communications.

Radio aids to air navigation.

DEATH OF HIS MAJESTY KING GEORGE V.

On learning of the death of His Imperial Majesty King George V the Committee addressed the following letter to His Excellency the Governor of Bombay on the 21st January 1936 :—

"The Committee of the Bombay Chamber of Commerce, on behalf of the members, desire to express their profound grief at the death of His Majesty the King-Emperor. In mourning the Empire's loss, the Committee desire to offer, together with their humble duty, their deep and heartfelt sympathy with the Royal Family."

The day of the funeral of His Majesty, 28th January 1936, was observed as a day of general mourning and was declared a public holiday under the Negotiable Instruments Act. The Committee of the Chamber also declared that day to be a holiday under Charter Parties.

A memorial service was held in St. Thomas's Cathedral on that date. The Committee had occasion to address the Government of Bombay in connection with the arrangements for this service. The Committee's letter to the Chief Secretary to the Government of Bombay and the latter's reply will be reproduced in the appendices.

In March 1936 the Government of Bombay issued a Press Note notifying the appointment by His Excellency the Governor of a Committee to raise funds for a memorial to His late Majesty. The intention was that a statue of His late Majesty should be erected on a suitable site in

Bombay and, in addition, that an Infirmary should be equipped and endowed. The provision of an Infirmary for patients who, though incurable, did not require the same skilled attention as was available in hospitals, was a much felt want in this city, but it was decided that this portion of the scheme would not be proceeded with unless adequate funds were assured, not only to equip the Infirmary but also to endow it in perpetuity. A joint appeal on behalf of the Fund was sent to all members of the Chamber, the Bombay Presidency Trades Association and the European Association, by the President of the Chamber, the Master of the Trades Association and the Chairman of the European Association, Bombay Branch. A sum of Rs. 33,095 was received by the Chamber and forwarded to the Honorary Treasurers of the Fund.

FAREWELL ADDRESS TO LORD WILLINGDON.

(*See Report* 1931, *Volume I*, *page* 15.)

A deputation from the Chamber consisting of Mr. L. A. Halsall (President), Mr. A. K. G. Hogg (Vice-President), Messrs. W. A. Bell, F. H. French, J. F. Macdonell, R. Scherer, D. D. Storrar and R. J. F. Sulivan (Secretary) attended at Government House, Malabar Hill, on Friday, 17th April 1936, and presented an address on behalf of the members of the Chamber to His Excellency Lord Willingdon. The full text of the address and of His Excellency's reply will be found in the Appendices.

ADDRESS OF WELCOME TO LORD LINLITHGOW.

A deputation from the Chamber consisting of Mr. L. A. Halsall (President), Mr. A. K. G. Hogg (Vice-President), Messrs. W. A. Bell, F. H. French, J. F. Macdonell, R. Scherer, D. D. Storrar and R. J. F. Sulivan (Secretary), attended at Government House, Malabar Hill, on Friday,

17th April 1936, at 3-15 p.m., and presented an address on behalf of the members of the Chamber to Lord Linlithgow, the Viceroy-designate. The full text of the address and of His Lordship's reply will be found in the Appendices.

VISIT TO THE CHAMBER OF THE HON'BLE SIR FRANK NOYCE.

THE HON'BLE SIR FRANK NOYCE, K.C.S.I., C.B.E., I.C.S., Member for Industries and Labour, visited the Chamber on Tuesday, 4th August 1936, and informally discussed the following subjects with the Committee :—

1. Air Mail Timings—Indo-African Air Mail.
2. Carriage by air in India of understamped air mail from abroad.
3. Separation of Burma—Postal rates.
4. Indian Inland Telegraph Service—Five-letter code telegrams.
5. Road-Rail competition.
6. Workmen's Compensation for Occupational Diseases.

VISIT TO THE CHAMBER OF THE CHIEF COMMISSIONER AND FINANCIAL COMMISSIONER OF RAILWAYS.

THE HON'BLE SIR GUTHRIE RUSSELL, KT., Chief Commissioner of Railways, and MR. P. R. RAU, Financial Commissioner of Railways, visited the Chamber on the 6th August 1936 and informally discussed the following subjects with the Committee. Mr. J. H. F. Raper, Acting Agent, G. I. P. Railway, and Mr. J. J. C. Paterson, Acting Agent, B. B. & C. I. Railway, were also present by invitation :—

(1) Railway policy : railway freight rates.
(2) Proposed enhancement of railway class rates.

(3) Time allowed for consideration of proposals before the Indian Railway Conference Association.

(4) Fraudulent claims against insurance companies for shortage in merchandise conveyed by rail.

(5) Railway receipts as negotiable instruments.

(6) Risk Notes.

(7) Expert enquiry into the position of the Railways.

MONTHLY RETURN OF IMPORTS OF PIECE-GOODS AND YARNS.

On the recommendation of the Import Sub-Committee the form of the Chamber's Monthly Return of the Import of Piecegoods and Yarns was revised, commencing from the Return for April 1936. The Return now shows separately against each importer his imports of the various classes of piecegoods and yarns from Great Britain and Japan. Some amendments have also been made in the classification and instead of the total imports for the month being shown in each case cumulative totals are given from the month of April to the month of the Return.

REPORT OF THE SEA-BORNE TRADE OF THE BOMBAY PRESIDENCY.

Delay in Publication.

In January 1936 the Committee informed the Government of India that they had recently had under consideration, in consultation with the Statistical Sub-Committee of the Indian Statistical Institute, Calcutta, the question of the general revision of the Government of India statistics. In the course of their enquiries a Sub-Committee of this Chamber ascertained that one of the common criticisms of British Indian Official Statistics was that the figures were not available until so long after the close of the period under review that they lost any commercial value. A concrete instance in support of this criticism was brought

to the notice of the Committee by a member. The Report of the Sea-borne Trade of the Bombay Presidency, excluding Sind, for the official year ending 31st March 1935, was not made available to the public till near the end of October 1935. This Chamber's copy was received on the 26th October 1935. The publication had on occasion been issued by the middle of August and the Committee were unable to understand why it should not be issued by July each year. The Committee had taken up the question with the Collector of Customs, Bombay, who, however, pointed out that there was no delay in the Custom House. The Committee expressed a hope that the necessary action would be taken with the printing department to ensure that there would be no delay in future in the issue of this publication.

REPORT ON THE SEA-BORNE TRADE OF THE BOMBAY PRESIDENCY.

Alteration of Form of the Report.

In June 1936 the Collector of Customs intimated that it was proposed to change the form of the Report on the Sea-borne Trade of the Bombay Presidency with the object of supplying the information which the report formerly gave in a clearer and more concise form.

The report had previously been issued in the form of a series of paragraphs with statistical tables interspersed. The paragraphs consisted partly of a comment on the trade shown by the tables and very largely of extracts from the tables. The Collector felt that the report was neither in the true sense a statistical report since such a report should consist of statistical tables alone, nor a trade report, since a trade report should elucidate trade tendencies and movements during the given period. The proposal was therefore that the report should consist of statistical tables, as given previously, but arranged where possible in clearer form with only such comments in the form of notes on the

tables themselves as was essential. This statistical report would be introduced by a concise note on the trade of the Presidency for the year under review which would refer to the tables and would give as clear a picture as possible of the trade which the tables set out in detail. It was hoped that this arrangement would reduce the size of the report by nearly half and would make the information which it contained more readily and more clearly available to the public.

The Collector in inviting the views of the Chamber on the proposal explained that the alterations could not take effect before the report for the year ending 31st March 1937 was ready as the report for the year ending 31st March 1936 had already been completed.

After consulting the Statistics Sub-Committee the Committee stated that they were of opinion that members of the commercial community had occasion to refer to the tabular information for the Port of Bombay and that, as suggested, the tables could be made clearer by omitting the comments and providing each table with a clear heading and footnotes to make sources unmistakable.

The Committee drew attention to the fact that in a letter addressed to the Director-General of Commercial Intelligence and Statistics they had expressed the opinion that a thorough reorganisation of statistics was required and they suggested that when the tables in the Bombay report were recast they might be linked by cross references with the All-India Sea-borne Trade Returns. The revised report might then be circulated as a model to the other three Presidencies and Sind with a view, if possible, to securing uniformity.

Finally, the uniform tables for the three Presidencies and Sind, with their separate figures for the principal Ports, should be issued in the same form as the Annual Sea-borne Trade Return, and like it they should be issued table by table on the loose leaf system to subscribers. In this way

it would be possible for subscribers to the statistics to retain those tables which they found useful to supplement the All-India tables, and to destroy those which they did not require.

GOVERNMENT OF INDIA TRADE STATISTICS.

In July 1936, on the recommendation of the Statistics Sub-Committee, the Committee of the Chamber addressed the Director-General of Commercial Intelligence and Statistics in connection with the possibility of improving the Government trade returns.

The Committee pointed out that considering the great importance which was attached nowadays to the establishment of trading balances between different countries, they had been led to examine the Government returns of overseas trade with a view to seeking possible improvements which might make the required information more readily and promptly available.

In order to establish the correct balance of trade between India and another country it was essential to take re-exports into account. In the monthly accounts relating to the Sea-borne Trade and Navigation of British India re-exports were recorded in the aggregate without dissecting countries of destination. Re-exports to individual countries were given in the Annual Statement of the Sea-borne Trade of British India which, however, only appeared at an interval of a year to a year and a half after the period to which it related. With a view to obviating this delay the Committee suggested that an additional statement be included in the Monthly Accounts after the country tables on pages 27 and 28 under some such heading as :—

"Country Table—Re-exports Value of Foreign Merchandise Exported to each Principal Country by Sea from British India during the month of.....and the.....months, 1st April to the end of....." (i.e., showing totals of the particular month under review, or the last two years together with progressive totals from 1st April to date).

If the adoption of this proposal was likely to cause delay in the issue of the Monthly Accounts the Committee suggested that the information might be issued separately by the Department of Commercial Intelligence and Statistics as an additional supplementary sheet.

The Committee had a second suggestion to put forward which, if given effect to, would, they felt, result in Government returns presenting a truer picture of the trade of each port and of the country as a whole. At present no separate figures are published of goods received into bond and afterwards taken into home consumption, while despatches from bond into foreign countries are included with other re-exports. The Committee suggested that independent returns of bonded goods should be published, if possible, in the following form, in respect of the principal articles of import :—

1. Receipts into bond.
2. Removals from bond :
   - (*a*) into consumption ;
   - (*b*) to other Indian ports :
     - (*i*) British Indian ports, including Indian States ports in customs union with British India, such as Kathiawar ports ;
     - (*ii*) Foreign ports in India, such as Cutch ports, Portuguese and French ports ;
   - (*c*) to foreign countries.

The Committee were encouraged to think that it might be found possible to keep a separate bonded warehouse account since Table IV of the Monthly Accounts already gave particulars of certain principal articles of imported merchandise warehoused under bond. If, however, the form proposed above was considered too elaborate or found for any reason to be impracticable, the Committee suggested that the import table should show separately goods passed for home consumption and imports into bond.

In the third place the Committee pointed out that the Country Table Exports on page 28 of the Accounts included total "For orders" cargoes. It was suggested that when the balance of trade was published a footnote should be added—"Subject to correction."

Fourthly, attention was invited to the inaccuracies which arose in the Government returns owing to careless completing of the bills of entry. Clerks frequently showed the country whence consigned as that of the port of shipment, e.g., Swiss goods shipped from Genoa were shown as Italian, Spanish goods transhipped at Marseilles were shown as French, etc. As this did not affect the revenue the Customs authorities would not always go to the trouble of ensuring that the bills of entry were correctly filled in. From a statistical point of view, however, the result would be disastrous, and the Committee invited suggestions from Government for remedying the present state of affairs, while at the same time they assured Government that they would endeavour to enlist the co-operation of members of the Chamber in giving effect to any such suggestions.

Finally, the Committee passed on for consideration certain suggestions which had been made by the Chamber in reply to a reference from the Indian Statistical Institute, Presidency College, Calcutta. The suggestions in question, which appeared suitable for adoption by the Director-General, were :—

As soon as any Table was completed, it should not await publication to be bound with other Tables, but should be posted to subscribers immediately.

A spring-back or some other convenient loose-leaf file should be issued to subscribers to collect their sets of official statistics.

Exports : India-European Countries.—Official export trade statistics were seldom in agreement with the corresponding figures of imports from India maintained by European countries, because of :—

(*i*) the system of Exports "for Orders," and

(*ii*) those exports of Indian produce to European countries which are shipped via the United Kingdom. Some analysis of the United Kingdom entrepot trade would remedy this disparity; but probably the best method was for the Government of India to record the corresponding trade figures of Imports from India maintained in foreign countries, as a correction to Indian export statistics.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 21st and 22nd December 1936 the following resolution was moved by the Bombay Chamber and adopted :—

"Considering (1) the great importance to the business community in present-day trading conditions of the prompt publication of full and reliable statistics, and (2) the vital necessity of such statistics as a sound basis for shaping commercial and industrial policy and for the conduct of trade negotiations with other countries, this Association urges the Government of India to undertake without delay the establishment of a Central Statistical Department on up-to-date lines."

GOVERNMENT OF INDIA STATISTICAL DEPARTMENT.

In the *Times of India* of the 7th March 1936 it was reported that the Finance Member of the Government of India during the course of debate stated that he agreed "that a statistical department of Government should be set up, and assured the House that Government would be able to take suitable steps in the course of a few months." It was not clear whether it was proposed that the Finance Department would, in future, have a statistical section of its own or whether there would be an enlarged statistical department of the Government of India. The Committee accordingly asked the European Group in the Central Legislature to endeavour to obtain fuller information and an elucidation of the Finance Member's reported statement.

The Committee were informed in reply that the Statistical Department contemplated was to be a comprehensive department dealing with all statistics concerning the Government of India and it was considered likely that the new department would absorb the existing Commercial Intelligence and Statistics Branch of the Commerce Department. It had not been decided, however, whether the new department would be attached to the Finance Department or to the Cabinet Secretariat.

FEDERAL AND PROVINCIAL FINANCE UNDER THE NEW CONSTITUTION.

(*See Report* 1935, *page* 31.)

The Report of Sir Otto Niemeyer on the financial adjustments to be made between the Government of India and the Provincial Governments was published on the 30th April 1936.

In paragraph 31 (1) of his report Sir Otto Niemeyer made the following comment :—

" After the abolition of tax on the smaller incomes and the two successive reductions in the rates imposed in 1931, the rates of Income-tax and Super-tax in India, especially on the higher incomes, are by no means excessive. The general scheme of Indian taxation (Central and Provincial) operates to relieve the wealthier commercial classes to an extent which is unusual in taxation schemes, and there would be no justifiable ground of complaint if a slight correction of this anomaly were maintained. The assignment of Taxes on Income is the main method of assisting Provincial finances contemplated by the Government of India Act : and if the remaining surcharge were maintained, it would materially contribute to the early receipt by the Provinces of additional resources."

Early in May 1936 the Associated Chambers of Commerce of India informed the Chamber that the Bengal Chamber proposed to protest to the Secretary of State for India against the proposed repudiation of pledges to remit the surcharge on income-tax and to express a warning against the Central budget being based on the emergency surcharges. The Associated Chambers suggested that the protest would be stronger if it came from the Association

and enquired whether this Chamber agreed. The Committee informed the Associated Chambers that they were strongly of opinion that the Government of India's pledges to abolish the emergency surcharges should be redeemed. The Associated Chambers subsequently submitted a representation to the Secretary of State for India on certain aspects of the report and in particular protested against the proposed retention of the existing surcharges on income in the form of an increase in the substantive rates. In view of the specific pledges given by Sir George Schuster as Finance Member and recognised by his successor in office the Associated Chambers regarded this proposal as one which would hardly be in accord with the high principles of Government, and that the repudiation of Government's undertaking would be received with the gravest concern by the business community. Notwithstanding the views expressed in the report, the Associated Chambers considered early relief of the burden of taxation essential, if business revival were to be stimulated and reserve resources of revenue built up against emergency. Rigid economy at the Centre (including the Railways), in addition to saving by debt conversion to give more satisfactory provision for redemption was, in the opinion of the Associated Chambers, necessary and any economies or expansion of revenue realised should be devoted first to securing the stability of the Centre by reducing taxation and thereby allowing for a margin of taxable reserve.

A reply was subsequently received by the Associated Chambers from the Secretary of State intimating that the matters upon which the representations were made had received his careful attention.

CLOSING OF THE STAMP OFFICE IN BOMBAY.

(See Reports, 1891, *page* 225 ; 1899, *page* 199 ; 1927, *Vol. I, page* 20 ; 1928, *Vol. I, page* 34.)

As a result of a complaint from a member the Committee addressed the Superintendent of Stamps, Bombay,

in regard to the inconvenience caused to the commercial community owing to the Stamp Office being closed on days other than bank holidays between the 24th December 1935 and 2nd January 1936. The attention of the Superintendent was drawn to the correspondence that had passed between this office and the Chamber as a result of which, he had agreed that the General Stamp Office, Bombay, should be kept open every year for two hours between 12 noon and 2 p.m. on the 27th, 28th and 29th December during the Christmas holidays and on the 2nd January, i.e., the day following the New Year's Day, if that day happened to be a Thursday or a Friday. Actually the General Stamp Office was open only on one day (27th December) between the 24th December 1935 and the 1st January 1936, inclusive.

The Committee stated that they felt that the letter as well as the spirit of the arrangement arrived at in 1928 would have been kept and inconvenience to the commercial community prevented if the General Stamp Office had been kept open on the 30th December 1935 in addition to the 27th December 1935. They requested the Superintendent to give them an assurance that if in any future year any of the dates 27th, 28th or 29th December should be declared a public holiday under the Negotiable Instruments Act, another day between the 24th December and 1st January, would be substituted. As an instance the Committee pointed out that the 27th December 1936 would be a public holiday, and they considered that the General Stamp Office should be kept open for two hours each day on the 28th, 29th, and 30th December 1936.

In reply the Superintendent of Stamps stated that the General Stamp Office would be kept open on the dates mentioned for the current year and added that if in any future year any of the dates, viz., 27th, 28th, and 29th December should be declared a public holiday under the Negotiable Instruments Act, another day between the 24th December and 1st January that was not so declared would be substituted.

STAMP DUTY ON PERSONAL ACCIDENT POLICIES OF INSURANCE.

(*See Reports*, 1927, *Vol. I*, *page* 16 ; 1934, *page* 48.)

In the Report for 1934 reference was made to the correspondence which had passed between the Superintendent of Stamps, Bombay, and the Chamber in regard to the question of the extension to insurance policies covering short-term aviation and sea voyage personal accident policies the concession in stamp duty given on policies covering accidents to passengers making a single journey by rail.

In June 1936 the Superintendent of Stamps informed the Committee that the premium paid on policies of insurance covering accidents to passengers travelling by air and sea was twelve shillings, and not twelve annas as previously stated per £1,000 per day. The Government of India did not consider that in comparison with the premium charged the existing rate of stamp duty was excessive and they had decided to reject the proposal to extend the concession in stamp duty, payable on policies covering accidents to passengers travelling by rail, to policies covering passengers against accidents while travelling by air and sea.

INSURANCE LEGISLATION IN INDIA.

Proposed Revision.

(*See Reports*, 1934, *page* 45 ; 1935, *page* 58.)

In the Chamber's Report for 1935 mention was made of the fact that Government had decided to undertake the revision of the existing law in India relating to the regulation of Insurance Companies. The Committee addressed the Associated Chambers stating that they had no views to put forward at that stage and that they had decided to leave the matter to be dealt with by the various Insurance Associations.

Following the procedure adopted for the revision of the Indian Companies Act, the Government of India arranged for an informal representative Committee to meet at New Delhi on 2nd November under the Chairmanship of the Hon'ble the Law Member, to examine the recommendations in the report of Mr. Susil C. Sen. This informal Committee consisted of the following :—

(1) The Hon'ble the Law Member (*Chairman*).

(2) Sir Phiroze Sethna, and representatives of (*a*) the India Life Assurance Offices Association, (*b*) the Indian Companies Association, Bombay, (*c*) the Insurance Legislation Joint Committee, Calcutta, (*d*) the Provident Insurance Companies Association, Bengal, (*e*) the Association of Life Assurance Offices in India, Calcutta, (*f*) the Young Life Offices Legislative Committee, and (*g*) Lloyds.

The draft amending Bill is likely to come before the Assembly in the 1937 Budget Session and in all probability will be referred to a Select Committee.

MARINE INSURANCE POLICIES.

Assignability and Subrogation.

In September 1936 the Bombay Underwriters' Association drew the attention of the Committee to an opinion expressed by their legal advisers to the effect that a marine insurance policy is not a negotiable instrument.

The Association was also advised that where an Insurance Company paid a claim it was not by virtue of such payment entitled to maintain a suit in its own name without an assignment and that by reason of the provisions of section 6 of the Transfer of Property Act there could not be a valid assignment of the assured's right to sue for damages.

The Association felt the position was most unsatisfactory by reason of the fact that their rights so far as subrogation was concerned depended upon the shippers or consignees remaining in existence. The Association was,

therefore, of opinion that in view of the changes contemplated in Insurance Law during the course of the next year, it would be advisable to recommend at the appropriate time that the English Marine Insurance Act, 1906, should in its entirety be made applicable to India.

The Association requested to know whether the Chamber was in agreement with the views expressed by their solicitors and if so whether the Chamber would support the recommendation proposed in connection with the new Insurance Law.

The Committee after carefully considering the question informed the Bombay Underwriters' Association that they would be prepared to support a recommendation that, so far as was practicable, the provisions of the English Marine Insurance Act of 1906 should be embodied in legislation in India. The Committee considered that at least the provisions of section 79 of that Act should be made applicable in India.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 21st and 22nd December 1936, the following resolution was moved on behalf of this Chamber and adopted unanimously :

"This Association urges upon the Government of India the necessity of enacting without delay legislation in British India embodying the provisions of the Marine Insurance Act 6, Edw. VII, 1906, and of amending sections 6 and 135 of the Transfer of Property Act, 1882, so far as they conflict with sections 50 and 79 of that Act which provide for the assignment of marine policies either before or after loss and for the right of subrogation respectively."

AMENDMENT OF THE INDIAN COMPANIES ACT.

(*See Reports*, 1926, *Vol. I, page* 163 ; 1928, *Vol. I, page* 69 ; 1929, *Vol. I, page* 44 ; 1930, *Vol. I, page* 39 ; 1931, *Vol. I, page* 60 ; 1932, *page* 378 ; 1933, *page* 20 ; 1934, *page* 43 ; 1935, *page* 68.)

It was recorded in the Chamber's Report for 1935 that the Committee had supported the nomination of Mr. Alec Aikman, Senior Resident Director of Messrs. Andrew Yule

& Co., Ltd., Calcutta, to represent the Associated Chambers of Commerce of India on an informal Committee which the Government of India had appointed under the Chairmanship of the Honourable the Law Member for the purpose of examining the tentative conclusions which had been reached by the Government of India in respect of the report of Mr. Sen, the Officer on special duty, who was appointed to examine the various criticisms of the existing law governing Joint Stock Companies in India.

On the 23rd March 1936 the Honourable the Law Member introduced in the Legislative Assembly a Bill further to amend the Indian Companies Act, 1913. In the statement of objects and reasons appended to the Bill it was mentioned that in the amendments proposed, the lines followed in the overhaul of the English law had, in accordance with the policy followed in the past, been adopted in the amendments proposed where the problems dealt with were problems common to India and England. India had, however, problems peculiar to itself, for example, those connected with the managing agency system. Special provisions relating to banking companies were included, because there was no immediate prospect of legislation dealing solely with the subject being undertaken and the recommendations of the Central Banking Enquiry Committee had been carefully considered in drafting these provisions.

The Bill was referred to a Select Committee on which European commerce was represented by Sir Leslie Hudson and Mr. L. C. Buss.

The Committee of the Chamber referred the Bill to a Special Sub-Committee consisting of Sir Geoffrey Winterbotham, Messrs. A. E. Blair, R. W. Bullock, R. C. Giles, A. G. Gray and B. J. Whitby, whose report was considered by the Committee and amended in some respects in consultation with the Special Sub-Committee. The views of the Chamber on the proposed amendments formed the subject of a lengthy representation to the Finance Department of the Government of Bombay. The Committee understood

that the weight of evidence with the Government of India was such as to leave no doubt as to the necessity for the amendment of the Act and they, therefore, supported the Bill while seeking to secure the best possible amendment of those parts of it with which they were not in agreement.

The Committee referred to the Law Member's remarks in introducing the Bill when he said :—

"Trade and Industry in India are in a backward state compared with some other parts of the world, and it will indeed be disastrous if the amendments of the existing law stifle the healthy growth and development of joint stock concerns." The Committee endorsed this and were glad to see this aspect of the matter being emphasized. They went further and said that the Managing Agency system, which was the subject of attack in certain quarters as wholly bad, had been in the past, and was likely to remain in the future, the most suitable method of company management in India. The establishment of many industries in India could with justification be said to be due to the initiative and resourcefulness of managing agents, and any legislation calculated to operate unfairly against managing agents would tend to restrict the future industrial development of this country. The Committee considered that legislation to deal with the system should be designed to do away with the abuses which were known to exist, and not to discourage it.

Similarly, the Committee thought that there might be a danger in some quarters of it being assumed that there was in India an unlimited supply of suitable managing directors and directors, whereas in their view the supply was strictly limited—and was certainly not likely to be increased by the duties, and penalties for their non-fulfilment, which the new legislation imposed on directors. The point was that care must be taken to see that the provisions of the new legislation were not such as to discourage the proper functioning of managing agents or to make it unattractive for the best men to serve as directors.

The Committee accepted as reasonable all the provisions of the Bill which were adopted from the English Act which was revised as recently as 1929, except where experience had shown that the English Act could be improved upon. In certain important respects the Committee recommended that legislation should go further than the Bill proposed and particularly in the matter of prospectuses. The Committee were of opinion that in the interests of the investing public the fullest disclosure should be made in a prospectus offering shares or debentures for subscription and also in the annual balance sheet to be laid before members.

The Committee then proceeded to deal with the Clauses of the Bill on which they wished to comment.

The Committee queried the meaning to be attached to the expression " office of profit " and apprehended that new sections 86E and I might unnecessarily restrict the supply of suitable directors. They also failed to see why a director of a company should be debarred from acting as a trustee for the holders of debentures of the company.

The Committee agreed that 20 years was a reasonable term for a new managing agency agreement, but they considered that new section 87A (2), which provided that all existing managing agency agreements should automatically come to an end 20 years after the Act came into force, was very drastic. In the normal way the Committee would most strongly resist any legislation which interfered with existing contracts, but in the present case they realized that special circumstances had to be taken into consideration. They understood that the weight of evidence of abuses of the managing agency system was such that the Law Member was convinced that it was against public policy to allow agreements in perpetuity to continue, and that there was no way of putting matters right other than by fixing a definite term to existing agreements.

In all the circumstances, and in spite of the Chamber's intense dislike of legislation which interfered with retrospective effect with the contractual rights of individuals, the Committee did not resist this sub-clause *in toto* but accepted as inevitable the fixing of a term for existing agreements. They considered, however, that an amendment must be made so as to include compensation.

The Committee believed that it was with intention that compensation had been excluded as the Law Member was understood to hold that 20 years was long enough notice to make compensation unnecessary. This appeared to the Committee to introduce a most vicious suggestion that managing agents might make sufficient from a company over a period to enable them to dispense with compensation. The Committee protested against any such suggestion and they pressed very strongly their view that compensation should be payable. Indeed they attached more importance to this than to the term to be fixed. It might be argued that no honest and efficient managing agent need fear not having his agreement renewed by shareholders, but this view left out of account the possibility of non-renewals for reasons other than dissatisfaction with the way they had discharged their duties, in cases where managing agents could not control a majority of votes.

The Committee considered that a share of net profits was the most reasonable basis for remuneration for managing agents.

New sections 87D (1) and (2) covered the very important question of loans to managing agents by Companies. The Committee were of the opinion that the improper use by some managing agents of the moneys of companies under their control was the kernel of the trouble referred to by and large as the "abuse of the managing agency system," and they strongly recommended that the provisions in this regard should go much further than the Bill provided and that loans by Companies to managing agents

should be prohibited altogether. The Committee considered also that the keeping of current accounts with managing agents should be prohibited, and they suggested the following redraft:

"No company shall make to a managing agent any loan out of the moneys of the company nor shall any current account be maintained by the company with the managing agent."

The Committee laid stress on this proposal as a really effective way of dealing with abuse of the managing agency system without interfering with powers which should properly be exercised by the managing agent.

It would be an intolerable restriction on the powers of managing agents, and against the interests of the shareholders, if the managing agents were to be prevented from securing the best rate for a call or fixed deposit by having to refer to the Board for approval.

The Committee strongly opposed new section 87H. They believed it to be a mistake in drafting and pointed out that under it no managing agent could manage more than one mill manufacturing the same class of goods even though the mills were in different parts of the country. The same applied to electrical undertakings, cement, tea and coal companies and railways. The managing agent of a mill would also be prevented from carrying on the business of exporting cotton or importing piecegoods. The Committee could not bring themselves to believe either that it was the intention of Government to introduce legislation of this nature or that, if it were, Government would seek this very inappropriate method of doing it. The intention underlying the clause was presumably to prevent a managing agent diverting to himself profits which should properly accrue to the Company.

In view of the Kylsant case, which was heard after the passing of the new English Act, the Committee strongly recommended that section 93(b) (1A) should be tightened up so as to make the prospectus show the source of the profits

from which the dividends paid each year had been derived. They also strongly recommended the insertion of a provision that if any issue of shares or debentures was underwritten the names of the underwriters be disclosed in the prospectus, which should also contain a declaration by the directors to the effect that in their opinion the resources of the underwriters were sufficient to discharge the underwriting obligations.

Clause 56 made it compulsory to publish certain particulars in the Profit and Loss account. This provision did not exist in the English Act and the Committee were extremely doubtful if it was necessary or desirable to impose this provision in India. In any case they thought it should be left to the discretion of the shareholders in general meeting to ordain otherwise if they so desired, as it might not always be to the advantage of shareholders to have a Profit and Loss account published.

The Committee did not understand the significance of the term "manager" in the draft clauses and found it difficult to believe that it was intended to make it compulsory to publish the remuneration paid to the manager of a company. If it was they considered it highly undesirable and they saw no more reason for disclosing the pay of the manager in the Profit and Loss account than that of the assistant manager or the rest of the salaried staff. Similarly they thought that it was equally undesirable that the pay of a managing director should be published.

Clause 94 reproduced the provisions of section 347 of the English Act and made it compulsory for all Companies incorporated outside British India, whether public or private, to file a balance sheet in accordance with Form F of the Indian Companies Act. The Committee regarded it as right and necessary that a balance sheet should be filed, but they did not think that it was right that Form F should be specified. Form F was not universally suitable even in India, where Company procedure was not so far advanced

as elsewhere, and group companies, even the largest, were a fraction of the size of the larger English groups. Life Insurance Companies in India did not comply with Form F, but with the forms prescribed in the Indian Life Assurance Companies Act. Form F was particularly unsuitable for holding Companies, and it was becoming usual for Companies at home to issue, in addition to their own balance sheets, combined balance sheets of the holding company and the subsidiaries. These were more informative than Form F would be. The Committee considered that it would be much better for the Indian Companies Act to specify, as the English Act did, the matters which must be shown in the balance sheet to be filed with the Registrar, which would of course include such of the items in Form F as were of importance to creditors and the public.

The Committee were in sympathy with the desire to control Banking Companies in the interest of the public, but pointed out that in seeking for a comprehensive definition of a Banking Company there was the obvious danger, recognised in all legislation, of excluding important points whether as objects or powers. Several important omissions in the definition could be brought to notice. The Committee believed that a simpler and wider definition of a Banking Company was all that was necessary, as follows :—

"A banking company meant a company which carried on as its principal business the business of banking."

This would be in accordance with the existing Act, the English Act, and the Reserve Bank Act. If, however, it was held by Government that control of mushroom banks was not possible without greater definition, the Committee suggested that their short definition should be adopted together with a statutory objects clause in the memorandum for a Banking Company to be attached as a schedule to the Act. A draft objects clause for a banking company's memorandum was appended to the Chamber's representation.

Subsequently the Committee addressed the Government of India in regard to Clause 97 of the Bill which they had not touched on in their previous representation. This

clause proposed to insert a new section 282 B(2) concerning Provident Funds. The proposed new section read as follows :—

" Where a provident fund has been constituted by a company for its employees or any class of its employees, such fund shall be a trust for the benefit of those employees or that class of employees, and the moneys of the fund shall be invested only in securities mentioned or referred to in clauses (*a*) to (*e*) of Section 20 of the Indian Trusts Act, 1882."

The effect of this provision was that fund moneys not already invested in securities of the nature stated must forthwith on the passing of the Bill be so invested.

This proposal appeared to the Committee to be a most drastic step, the full implications of which, it was suggested, might not have been appreciated when the section was drafted, for in the first place it cut right across existing legislation in connection with the exemption of private Provident Funds from Income-tax, *vide* Chapter IXA of the Indian Income Tax Act, 1922, which was inserted by the Indian Income Tax (Provident Funds Relief) Act of 1929 and secondly, it would operate very hardly against members of private Provident Funds.

In so far as existing Funds which were already Trusts were concerned the rules framed under the Indian Income Tax Act to govern recognised Funds (i.e. Trusts) allowed the moneys of the Funds transferred to the Trust when formed to remain in existing investments, even if those investments were in the business of the company maintaining the Fund. The same was true of the employer's contributions subsequent to recognition and the interest thereon and on the accumulation of such interest. It was only the employee's contribution after recognition and interest thereon and accumulation of such interest which must be invested in securities of the nature prescribed in Section 20(*a*) (*b*) (*c*) (*d*) or (*e*) of the Indian Trusts Act, 1882 (*vide* 26 of Notes and Instructions of the Income Tax Manual).

Furthermore, the rules allowed for withdrawals from a recognised Fund for certain specific and stated purposes and practically all Funds had based their Rules as regards withdrawals on the Rules framed in this regard under the Income Tax Act. The contemplated provisions would apparently prevent withdrawals.

In all the respects mentioned above the proposed new section of the Indian Companies Act went back on the principles recognised and accepted by Government in framing the Indian Income Tax (Provident Funds Relief) Act which was passed as recently as 1929 after prolonged consideration by Government in consultation with commercial bodies. The Committee submitted that there was no case whatever for overriding those principles in the manner proposed.

The Committee understood that the principle underlying the proposed new section was that the savings of a member of a provident fund maintained by a Company should not be lost to him, if the Company went into liquidation. They were in sympathy with the principle but they could not agree that Government's proposal for achieving the object would be fair on members of private Provident Funds. It might in fact in certain cases result in great hardship because members of Funds, whether the Funds were Trusts or not, would in cases where the moneys of the Fund were not already invested in Trust securities suffer a severe loss of savings owing to (*a*) a considerably lower rate of interest on their savings and (*b*) depreciation in investments owing to the very high level at which Government securities were standing at the moment. Furthermore, it might not be financially practicable for all Companies to comply with the provision to form a Trust and transfer to Trust securities the moneys of the Fund which they maintained at the moment. Alternatively for the sake of their employees they might not be willing to comply. Some Funds might therefore have to be closed down and others might be turned into Deposit Savings Accounts or something similar. In either of these

events the amounts becoming due to members would be treated as part of the income of those members for the year in which payment was made and they would become liable to Income-tax, and possibly also to Super-tax, at a rate not properly applicable to their yearly income. They might also lose the past and future benefits of their employers' contributions and accumulated interest thereon which in all Funds were revocable unless certain conditions were fulfilled.

Whether therefore Companies maintaining Provident Funds were in a position to comply with the proposed new regulation or not, members of the Funds would suffer materially and it was submitted that the proposed legislation would immediately harm many more individuals than it would ultimately benefit.

There was the further consideration that for those members of Funds who were Europeans and would ultimately be retiring out of India it was unduly restrictive to limit the investment of the total moneys to the securities allowed by clauses (*a*) to (*e*) of Section 20 of the Indian Trusts Act.

Even if the proposal were otherwise acceptable, which it was not, the section should at least provide for a range of securities as wide as permitted under the English Trustee Act.

The Committee further pointed out that firms as well as companies maintained Provident Funds and they submitted that legislation which would affect some but not all Funds was bad.

On all the grounds above mentioned the Committee reached the conclusion that not only was the proposal in its then form wrong and unfair in its incidence but that it was quite inappropriate to legislate for the control of Provident Funds in the Indian Companies Act. They strongly recommended therefore that the clause should be dropped from the Bill.

There was, however, one way in which it seemed to the Committee that it would be right and proper to give effect in the Indian Companies Act to the principle of protection of Provident Fund savings, viz., by including them under Sub-section (1) of Section 230 of the Act with other priority debts in the event of liquidation, in just the same way as the Bill proposed by Clause 83 to deal with payments due under the Workmen's Compensation Act.

The Committee understood that this would be in line with recent decisions of the Courts and they put forward the definite proposal for the favourable consideration of Government that an additional sub-section be added under Clause 83 of the Bill which might read :—

"(*e*) all sums due to any employee from a Provident Fund the assets of which are mingled with the assets of the Company, but to the extent only to which the assets of the Fund have been so mingled."

In a further letter to the Government of Bombay the Committee referred to Clause 100(2) (*ii*) and (*iii*). It was not clear to the Committee whether the requirements under the heading " advances " were intended to apply to Banks, which showed loans under the heading " Book Debts." The Committee were of the opinion that it would be impracticable for a Bank to comply with the requirements under clause 100(2) (*iii*), (*ii*). The English Act granted exemption from these requirements in the case of companies whose ordinary business included the lending of money and, in the opinion of the Committee, it should be made clear that the Indian Act did the same.

A small unofficial Committee was appointed by the Associated Chambers of Commerce of India to assist the representatives of the European Group in the Assembly during the sittings of the Select Committee on the Bill. Sir Geoffrey Winterbotham represented the Bombay Chamber on the Committee. A considerable number of amendments were made in the Select Committee and the Bill as passed by the Legislative Assembly was also amended by the Council of State and was brought into force on the 15th January 1937.

For purposes of record the Chamber's letters to Government commenting on the Bill will be reproduced in full in the Appendices.

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BOMBAY STOCK EXCHANGE.

(*See Reports*, 1923, *Vol. I, page* 55; 1925, *Vol. I, page* 297: 1926, *Vol. I, page* 75; 1927, *Vol. I, page* 108; 1930, *Vol. I, page* 224; 1932, *page* 295; 1933, *page* 332; 1935, *page* 69.)

In November 1936 the Government of Bombay issued a Press Notice intimating that the Governor in Council had appointed a Committee to examine and report on the organisation and methods of working of the Native Share and Stock Brokers' Association of Bombay, to consider whether any modifications were desirable in the interests of the investing public, and to make recommendations.

The Committee was constituted as follows:—

(1) Mr. W. B. Morison (*Chairman*).
(2) Sir Sohrabji Pochkhanawala, } *Members.*
(3) Sir Rahimtoola Chinoy, }
Mr. H. M. Patel, I.C.S., *Secretary.*

Associations or persons wishing to make proposals for the reorganisation of the Bombay Stock Exchange or for improving its methods of working were invited to send their written representations to the Secretary, Stock Exchange Enquiry Committee, Finance Department, Secretariat, Bombay.

After consulting the Finance Sub-Committee of the Chamber the Committee, in addressing the Government of Bombay, put forward the following points for consideration:—

In the first place the Committee stated that they were not opposed to "forward dealings" provided such dealings were properly regulated and controlled. They, however, drew the attention of Government to the Chamber's letter

No. 3014/365 of the 26th November 1935 in which the Chamber recommended that any Committee appointed to enquire into the working of the Stock Exchange Rules should consider the desirability of the introduction of fortnightly instead of monthly settlements. It seemed to the Committee that the longer the settlements were apart, the more inducement there was for speculation. Fortnightly settlements would be a salutary check on speculation and in the best interests of those chiefly concerned, viz., the investors.

The Committee understood that the existing Rules of the Bombay Stock Exchange did not lay down a minimum scale of brokerage and this lack of minimum scale, in their opinion, rendered possible the bulk of the gambling which took place on the Stock Exchange. Under existing conditions it was possible for a large speculator to set off one broker against another until he could get his business done on a large scale for next to nothing. Such operations not only endangered the market and brought considerable risk to brokers conducting *bona fide* business but struck at the very etiquette of a properly conducted Exchange. The Committee considered that it was desirable that brokers should be compelled to show the prices at which all transactions were put through with the brokerage charged shown separately on the contract. It should not be permissible to pass contracts at net prices.

The Committee were further of the opinion that the Stock Exchange should be permitted to close only—

(*a*) on Holidays under the Negotiable Instruments Act ;

(*b*) on one day per fortnight for settlement if fortnightly settlements were arranged, or on one day per month for settlement if monthly settlements were continued; and

(*c*) in the event of a crisis, and then only with the previous consent of Government.

In conclusion, the Committee requested Government to see their way to ask the Stock Exchange Enquiry Committee to issue a questionnaire, after consideration by that Committee of the proposals of the Bombay Stock Exchange published under Government Notification No. 2902-D of the 23rd September 1935 (*Bombay Government Gazette*, Part IV, dated 20th September 1935), and the Chamber's comments thereon.

At the time of writing this Report the Committee had under consideration a questionnaire issued by the Stock Exchange Enquiry Committee.

STRENGTHENING OF THE COMMERCE DEPARTMENT OF THE GOVERNMENT OF INDIA.

At the annual general meeting of the Associated Chambers of Commerce of India held in December 1935, the following resolution was carried unanimously :—

"That this Association brings to the notice of the Government of India the resolution passed at the annual meeting of this Association on the 17th December 1934 in which it was resolved that the staff of the Commerce Department be strengthened to enable the Department to deal promptly with commercial matters, and that this Association is of the opinion that legislation should be passed to enable Government by executive action to deal promptly with dumping tactics by foreign countries."

The terms of this resolution, together with a record of the discussion leading up to its adoption, were duly communicated to the Government, Commerce Department, who subsequently replied that the views of the Association had been noted.

The resolution passed at the annual general meeting of the Association, held on the 17th December 1934, referred to above, read as follows :—

" That, in the opinion of this Association, it is desirable that there should be attached to the Government of India a small permanent staff of experts with practical experience in economic matters to advise

Government and to keep in closer and more continuous touch with commercial bodies than is possible at present, and that, in view of the growing tendency towards the conclusion of commercial treaties between India and other countries, it is desirable that the Department of Commerce should be strengthened in order to provide the nucleus of an Overseas Branch."

LAW OF INSOLVENCY IN BRITISH INDIA.

(*See Reports*, 1914, *page* 49; 1918, *page* 13; 1919, *page* 34; 1927, *Vol. I, page* 70; 1928, *Vol. I, page* 83; 1929, *Vol. I, page* 52; 1930, *Vol. I, page* 35; 1931, *Vol. I, page* 68.)

In July 1936 the Government of Bombay asked for the views of the Chamber on certain suggestions of the Government of India for the amendment of the Law of Insolvency in British India. After consulting the Chamber's legal advisers in the matter the Committee informed the Government of Bombay that they supported the proposals of the Government of India.

The first suggestion of Government was to amend section 55 of the Presidency-Towns Insolvency Act, which corresponded with section 53 of the Provincial Insolvency Act so as to place on the transferee the burden of proof that a transfer was made in good faith and for valuable consideration. Section 55 of the Presidency-Towns Act read as follows:—

"Any transfer of property, not being a transfer made before and in consideration of marriage, or made in favour of a purchaser or incumbrancer in good faith and for valuable consideration, shall, if the transferor is adjudged insolvent within two years after the date of the transfer, be void against the official assignee."

Section 53 of the Provincial Insolvency Act was the same as the section cited above except that where in section 55 the word "void" appeared in the Provincial Insolvency Act the word used was "voidable."

In the opinion of the Committee it was both in the interest of the creditors and also otherwise not unreasonable, that the onus of proving that the transfer was in good faith

and for valuable consideration should lie upon the transferee. The Official Assignee knew nothing of the circumstances under which the transfer was made. If, when the Official Assignee's case had been placed before the Court, the Official Assignee had been unable to discharge that onus, the transferee may not even have to explain the circumstances under which the transfer was made, and the Official Assignee would possibly be unable to cross-examine him. The fact that a transfer was made by an insolvent within two years of his insolvency was in many cases *prima facie* suspicious, and the Committee saw no reason whatever why the transferee should not be called upon to show that the transfer was a proper one, not voidable under the Act. If the transfer was a proper one the transferee should have nothing to fear.

The Committee did not think that throwing the onus on the transferee would at once give rise to the filing, without justification, of innumerable suits. The Official Assignee would not move of his own accord, but he would do so only when indemnified by the creditors against the costs he would have to incur, and might have to pay in trying to upset the transfer. The Committee understood that it was difficult to get creditors together to guarantee the filing of a suit by the Official Assignee. There were always creditors who stood out in the hope that the others would indemnify the Official Assignee with no expense to them and that they would share in the proceeds of the suit, a course which not infrequently resulted in all the creditors declining to proceed. Further, the Official Assignee was an officer of the Court, who would exercise a reasonable discretion.

In the report of a case in the High Court of Judicature at Rangoon a copy of the judgment in which was attached to the letter to the Government of India the Court of Appeal upheld the decision of the Lower Court which found that the Official Assignee had not discharged the onus thrown upon him. The Court of Appeal stated, however, that

had the onus been upon the transferee they would have probably held that the transferee had not discharged that onus. It would be seen, therefore, that the amendment might in any case turn the scales the other way. The Committee had no hesitation in supporting the amendment.

The second amendment was the suggestion to change the word " void " in the Presidency-Towns Insolvency Act to the word " voidable " used in the Provincial Insolvency Act. It had been held that the word " void " means " voidable " (*Re.* Reis 1904, 1 K.B. 451), and in the opinion of the Committee there seemed no reason to use in the two Acts different words which meant the same thing. ' Voidable ' was the more correct word to use because the transfer was not void of itself but voidable only until the Court by its judgment found that the transfer was void. The Committee were of the opinion that this amendment also might be supported.

The third amendment proposed by the Government of India was based upon a suggestion made by the Bengal Chamber of Commerce some time ago, viz., that section 102 of the Presidency-Towns Insolvency Act, 1909, and section 72 of the Provincial Insolvency Act, 1920, should be amended so as to bring them into line (*a*) by providing for the trial and punishment of the offence irrespective of the Act under which the insolvent had been adjudicated and (*b*) by adding to section 102 of the Act of 1909 a provision similar to sub-section (2) of section 72 of the Act of 1920. Section 102 of the Presidency-Towns Insolvency Act read as follows :—

" An undischarged insolvent obtaining credit to the extent of fifty rupees or upwards from any person without informing such person that he is an undischarged insolvent shall on conviction by a Magistrate be punishable with imprisonment for a term which may extend to six months, or with fine or with both."

Section 72 of the Provincial Insolvency Act read as follows :—

" (1) An undischarged insolvent obtaining credit to the extent of fifty rupees or upwards from any person without informing suc

person that he is an undischarged insolvent shall, on conviction by a Magistrate, be punishable with imprisonment for a term which may extend to six months, or with fine or with both.

"(2) Where the Court has reason to believe that an undischarged insolvent has committed the offence referred to in sub-section (1) the Court, after making any preliminary inquiry that may be necessary, may send the case for trial to the nearest Magistrate of the first class, and may send the accused in custody or take sufficient security for his appearance before such Magistrate, and may bind over any person to appear and give evidence on such trial."

In view of the decision in the case (Ashutosh *vs.* Watson, 53 Cal., 929), it was clear that unless the Provincial Insolvency Act was amended, an insolvent, who had been declared an insolvent in the South of India under the Provincial Insolvency Act, could proceed to Bombay or Calcutta and there obtain credit. The party who had given credit could not himself prosecute but would have to satisfy the Court which made the accused an insolvent that there was a *prima facie* case against him and that Court would then direct the insolvent to be prosecuted before the nearest Magistrate. This would necessitate the party who had given credit in Bombay or Calcutta proceeding to the South of India to give evidence. This cumbrous procedure would not encourage prosecutions. It was a very serious offence for an insolvent to obtain credit, and in the opinion of the Committee this offence should be punishable with the least delay at the place at which the offence was committed with as little trouble as possible to the party who had been damnified. The Government of India proposed to amend the Provincial Insolvency Act by providing :—

(*a*) That the prosecution could be instituted by the Court or the aggrieved person ;

(*b*) That the prosecution could be instituted in the Court having jurisdiction over the place where the offence was committed.

The Committee felt that this removed an obvious difficulty in the Act and to be in accordance with common sense, and the Chamber had no hesitation in supporting the amendment.

The Government of India were of opinion that no amendment of section 102 of the Presidency-Towns Insolvency Act was necessary. After a consideration of the arguments the Committee agreed with the view of the Government of India, but thought that the suggestion that a provision should be embodied in both Acts that in a prosecution a certificate from the Court that the accused was an undischarged insolvent should be conclusive of that fact, was a distinct advantage.

Otherwise it would be necessary to call evidence from a mofussil Court, possibly miles away.

The last proposal raised a small point of limitation, designed to bring both Acts into line, viz., that a provision should be made in the Presidency-Towns Insolvency Act similar to that contained in section 78 (2) of the Provincial Insolvency Act. The Committee did not feel that the matter was of serious import, but it was well that the two Acts should, wherever possible, agree, and they saw no objection to the proposal.

AGRICULTURAL INDEBTEDNESS.

In March 1936 a private Bill was introduced in the Bombay Legislative Council which had for its object the relieving of agriculturists from indebtedness by amicable settlement between themselves and their creditors and the setting up of debt conciliation boards whose primary duty would be to effect a settlement of a debt due by an agriculturist on the application of either the creditor or the debtor.

The Bill appeared to the Committee of the Chamber to be an interesting attempt at dealing with the problem of agricultural indebtedness and as such to be worthy of support and they informed the European Group in the Bombay Legislative Council accordingly.

The Bill passed its first reading on the 15th September 1936 and was sent to a Select Committee to report in three months.

TRIAL OF COMMERCIAL CAUSES BY THE BOMBAY HIGH COURT.

(*See Reports* 1917, *page* 14, 152; 1924, *Vol. I, page* 143; 1925, *Vol. I, page* 59; 1926, *Vol. I, page* 100; 1927, *Vol. I, page* 85.)

In October 1936 the Indian Merchants' Chamber addressed the Prothonotary of the Bombay High Court and suggested that Rule 199 of the High Court which governed the trial of commercial causes might be amended to read as follows :—

" 199. Commercial causes include causes arising out of ordinary transactions of merchants, bankers, traders, principals, agents, brokers and adatias; amongst others, those relating to the construction of mercantile documents, export or import of merchandise affreightment, carriage of goods by land, insurance, banking and mercantile agency and mercantile usages including also those relating to the claims of agents, pucca and katcha adatias and brokers against their constituents and vice versa and also include causes arising out of the transactions of purchase and sale of goods between merchants and merchants and/or merchants and their customers."

The rule as in force at the moment read as follows :—

" 199. Commercial causes include causes arising out of the ordinary transactions of merchants, bankers and traders; amongst others, those relating to the construction of mercantile documents, export or import of merchandise affreightment, carriage of goods by land, insurance, banking and mercantile agency and mercantile usages."

A copy of the letter was forwarded to this Chamber for support.

In addressing the Prothonotary on the subject the Committee state that formerly it was the custom for the plaintiff to make an application to the Prothonotary if he desired to file his suit as a commercial cause and the Prothonotary at once admitted the plaint if the suit complied with the requirements of commercial causes laid down in the Rule. Apparently, however, this procedure had been modified by the High Court, and the Committee understood that

it had been directed that even in suits which were intended to be tried as commercial causes the plaint must in the first instance be accepted as an ordinary long cause and thereafter the plaintiff or the defendant took out a summons for directions, at the hearing of which if the Judge was satisfied that the case was a proper commercial cause he could direct it to be tried as such. The Committee added that they had also been informed that there had been a tendency on the part of the Judges to put a restrictive meaning on Rule 199.

The Committee were strongly of the opinion that the previous practice by which the Prothonotary was empowered to decide whether or not a suit should be admitted as a commercial suit should be reverted to. They also supported the request of the Indian Merchants' Chamber that Rule 199 of the High Court should be widened so as to include all transactions of a commercial or business nature, such as for instance suits by commission agents for debts due by their constituents and that the definition of commercial causes should be made clear and comprehensive.

LETTERS PATENT OF THE HIGH COURTS.

(*See Reports*, 1928, *Vol. I, page* 89 ; 1929, *Vol. I, page* 45 ; 1933, *page* 66 ; 1934, *page* 80.)

On the 6th March 1936 a Bill was introduced in the Legislative Assembly which had for its object the removal of certain doubts and the establishment of the validity of certain proceedings in High Courts of Judicature in British India. The Court of the Judicial Commissioner in the Central Provinces in two judgments passed on the 26th August and the 18th September 1935 held that certain decrees passed or orders made by the Bombay High Court in the exercise of the jurisdiction which that Court conceived it possessed under clause 12 of its Letters Patent were made without jurisdiction.

Clause 12 of the Letters Patent of the Bombay High Court, which was identical in terms with clause 12 of the Letters Patent of the Madras and Calcutta High Courts and corresponded to clause 10 of the Letters Patent of the Rangoon High Court, had been variously interpreted by the several High Courts, and the question of amending the clause was under the consideration of the Government of India.

The Bill was designed to obviate in the meantime the inconvenience which would result if the decrees or orders of a High Court acting in the exercise of its ordinary original civil jurisdiction, as the Court itself interpreted that jurisdiction, proved infructuous in another Court which favoured a different interpretation.

In addressing the European Group in the Central Legislature in regard to the Bill the Committee stated that the Bill was to be welcomed as it would prevent any Court from calling in question decrees passed by the High Courts of Calcutta, Madras, Rangoon and Bombay under clause 12 (clause 10 in the case of Rangoon) of the Letters Patent pending amendment of the clause in question. The Committee noted that in the statement of objects and reasons attached to the Bill the question of the amendment of the clause was under consideration and they expressed a hope that the Group would take every opportunity of urging on Government the necessity for expediting the amendment.

The Committee were informed in April 1936 that the Secretary of State for India had been addressed by the Government of India on the question of amending the Letters Patent and his reply was awaited.

The Bill referred to above was finally passed by the Indian Legislature on April 23rd, 1936.

In July 1936 the Government of Bombay intimated that the Government of India had decided that in view of the Decrees and Orders Validating Act, 1936 (V of 1936) there was no urgent need to make the proposed amendments

in the Letters Patent. The Government of India proposed to leave the matter to local Governments who would be competent to undertake the necessary legislation after 1st April 1937.

The Committee in replying to the Government of Bombay pointed out that the Decrees and Orders Validating Act was designed to obviate in the meantime the inconvenience which would result if the decrees or orders of a High Court acting in the exercise of its ordinary original civil jurisdiction, as the Court itself interpreted that jurisdiction. proved infructuous in another Court which favoured a different interpretation. It was thus clearly an *ad-interim* measure. The proposal of the Government of India to leave local Governments to undertake the necessary legislation after 1st of April 1937, to amend the Letters Patent was open to the objection that there was no assurance that all the local Governments concerned would undertake uniform legislation, and moreover the Committee apprehended that this course would result in further and very considerable delay before the necessary legislation was enacted.

It was pointed out by this Chamber nearly eight years ago that this was a matter vitally affecting the interests of the mercantile community in Bombay and particularly the Banks. Since that date Chambers of Commerce, both European and Indian, had been consistently pressing for an amendment. In the circumstances, the Committee were strongly of the opinion that the Government of India should be moved to complete the task to which it had set its hand by introducing the necessary legislation in the Central Legislature at the earliest possible opportunity with a view to its being placed on the Statute Book before the 1st of April 1937.

The Government of Bombay in reply intimated that the considerations urged by the Chambers were weighed by the Government of India before they decided not to undertake Central legislation in the matter and they saw no reason to revise that decision.

REVISION OF THE INDIAN ELECTRICITY RULES.

(*See Reports*, 1933, *page* 100; 1935, *page* 87.)

In August 1936 the Government of Bombay forwarded to this Chamber a copy of a letter from the Government of India, Department of Industries and Labour, relating to certain proposed draft amendments to the Indian Electricity Rules. The amendments were accompanied in each case by a brief memorandum containing the provisional views of the Government of India. Nearly all these amendments represented proposals made at a conference of electrical inspectors held in 1928. The Government of India felt considerable doubt regarding the desirability of adopting many of the amendments but they felt that the amendments raised questions of some importance on which it was desirable to secure the views of the local Government and interests concerned.

The Government of India in their letter also referred to the apprehension which was reported to exist in certain quarters regarding the danger to private consumers arising out of the alternating current system. Suggestions had been made, for example, that the supply to domestic consumers of current on the alternating system should be restricted to very low pressure and the Government of India enquired if it was felt that the existing regulations were adequate in this respect or whether further steps should be taken along the lines suggested or in other ways to secure greater safety to the public.

The Committee considered these amendments in consultation with the Electricity Sub-Committee of the Chamber and were also favoured with copies of representations which had been addressed to the Government of Bombay by members of the Chamber who were suppliers of electric current. In replying to the Government of Bombay the Committee stated that they desired to accord their general support to the views expressed by those members.

In referring to the observations made by the Government of India the Committee pointed out that in Bombay City and Island, with a population of about 12 lakhs, the total number of cases of fatal electric shock had been small since the introduction of the electric supply in 1905. The number of cases traceable was stated to be only 21. The figure could not be analysed into cases at 230 volts A.C. or D.C. or 460 volts D.C. or 400 volts A.C., all of which systems of supply were in use in Bombay (the last two voltages for motive-power users). With a network of mains covering practically the whole of Bombay City and Island, fed by over 100 sub-stations, the cost that would be involved in reducing the A.C. supply voltage would be absolutely prohibitive and on the figure of casualties quoted, could not possibly be justified. The Committee felt that the remedy lay in insistence on installations being carried out by licensed contractors with first-class materials, not in a reduction of voltage.

MOTOR VEHICLES RULES.

A notification was published in the *Bombay Government Gazette*, dated 9th July 1936, to the effect that in exercise of the powers conferred by section 11 of the Indian Motor Vehicles Act, 1914 (VIII of 1914), the Governor in Council was pleased to amend the Bombay Motor Vehicles Rules, 1915, published in Government Notification, Judicial Department, No. 8216, dated the 10th December 1915, as follows, namely :—

1. (*a*) Rule 18 of the said Rules shall be renumbered as sub-rule (1) of the said Rule 18.

(*b*) To Rule 18 so renumbered the following new sub-rules shall be added, namely :—

(2) For the purpose of sub-rule (1) the registering authority may authorise, in writing, any officer of the Motor Vehicles Department of the Commissioner of Police, Bombay, to stop, in the City of Bombay, any motor vehicle which in the opinion of such officer is likely to cause danger to the public or to any person or to property, by reason of its

mechanical defects and to examine such motor vehicle on a public road or, subject to the consent of the owner of the premises, on any premises where such vehicle is kept for the time being.

(3) If on the examination of a motor vehicle the officer is of opinion that the motor vehicle has ceased to comply with any of the requirements of the Act or of the rules made thereunder or that it has not been maintained in such a condition as to prevent danger to the public or to any person or property, he may suspend temporarily the registration of such motor vehicle and remove its number plates and the license card. When an officer suspends the registration of a motor vehicle he shall forthwith report the fact to the registering authority.

(4) On receipt of a report under sub-rule (3), the registering authority shall, as soon as possible,

(*a*) withdraw the suspension and return the number plates and license card to the owner of the motor vehicle, or

(*b*) if satisfied that the motor vehicle is defective as reported, direct that the registration of the motor vehicle be cancelled until such time as the defects are rectified to the satisfaction of the registering authority.

(5) Every order passed under sub-rule (4) shall be communicated forthwith in writing to the owner of the motor vehicle.

2. After sub-rule (2) of Rule 30 of the said Rules, the following shall be added, namely :—

"Provided further that a motor vehicle kept in the Island of Salsette may be required to be produced in the City of Bombay for inspection before the registering authority or before any officer authorised by it in writing in this behalf."

Government invited persons likely to be affected, to forward their objections or suggestions within two months from the date of publication.

The Committee in addressing Government stated that they were strongly opposed to the proposed additions to Rule 18, which would confer on the police arbitrary and unnecessary powers susceptible of causing serious inconvenience and possible hardship to members of the public. The Committee considered that Rule 18 as it stood was sufficient, but if additional powers were required these should, in their opinion, be limited to compelling the owner of a car, by written notice, to produce the car at a police station for examination or test, within, say, 24 hours, failing which the car should not be further driven until approved.

INDIAN INCOME-TAX ACT, 1922.

Depreciation Allowances for Refrigerating Plant.

In July 1936 the Committee, on a representation from a member, addressed the Central Board of Revenue, drawing attention to the absence of any provision in the statement in Rule 8 of the Income Tax Manual for allowance for depreciation in respect of refrigerating plant. In the absence of specific mention of refrigerating plant the Income-tax authorities were classifying it as electrical machinery under 3(*b*) and were allowing depreciation at 7½ per cent. which meant a life of 13 to 14 years. From enquiries made the Committee were satisfied that the average life of refrigerating plant was considerably less than this. Refrigerators were being used more and more extensively in this country and the Committee considered it a hardship that depreciation should be allowed on so inadequate a scale. The Committee, therefore, suggested that on ordinary domestic refrigerators depreciation should be allowed at 20 per cent. In large installations of refrigerating plant with slower moving machinery the rate might be 12½ per cent.

The Central Board of Revenue in reply stated that the matter would be finally decided after it had received the recommendations of the Expert Advisers to the Government of India on Income-tax subjects, on the general question of depreciation allowances.

FACTORIES (AMENDMENT) ACT, 1936.

In March 1936 the European Group in the Indian Central Legislature invited the views of the Committee on a Bill further to amend the Indian Factories Act, 1934. Sub-section (1) of section 5 of the Factories Act gave local Governments power to notify as factories premises which had ten or more persons working in them or in their precincts, but a notification so issued extended only to the premises and not to the precincts and would thus apply

only to part of the work. It was arguable, moreover, that places in the open air were not premises. The proposed amendment was intended to ensure that manufacture carried on elsewhere than inside buildings could be regulated when necessary.

The Committee informed the European Group that they were of opinion that the Bill should be supported.

The Bill was passed by the Legislative Assembly and the Council of State and received the assent of the Governor-General on the 26th April 1936, (Act VIII of 1936).

BOMBAY PREVENTION OF ADULTERATION ACT, 1925.

(*See Reports*, 1933, *page* 97 ; 1934, *page* 78.)

In December 1936 the Committee in addressing the Government of Bombay referred to the correspondence that took place in 1934 in regard to the proposed amendment of the Bombay Prevention of Adulteration Act, 1925, and of the Rules issued thereunder. The Act had been amended since then by the Bombay Prevention of Adulteration (Amendment) Act, 1935, and it was understood that the Government of Bombay had, at the moment, under consideration the amendment of the Rules issued under the Act. The Committee expressed a hope that Government would give the Chamber an opportunity of examining the revised rules and putting forward its views thereon before they were finally issued by Government.

In reply Government stated that the draft revised rules would be duly published for criticism in the *Bombay Government Gazette*.

DRUGS ENQUIRY COMMITTEE.

(*See Report* 1935, *page* 49.)

In April 1936 the Government of Bombay intimated that they had constituted a Committee to consider the

question of framing a Pharmacy Act for the Bombay Presidency. The constitution of the Committee and the terms of reference were :—

(1) *Constitution of the Committee.*

Chairman.—The Surgeon General with the Government of Bombay.

Members.—Lieut.-Colonel S. S. Sokhey, I.M.S., Director, Haffkine Institute, Bombay.

Lieut.-Colonel R. H. Candy, I.M.S., Civil Surgeon, Poona.

The Professor of Materia Medica, Grant Medical College, Bombay.

The Professor of Materia Medica, Seth Gordhandas Sunderdas Medical College, Parel, Bombay.

One representative of the Bombay Medical Council.

One representative of the College of Physicians and Surgeons of Bombay.

* Two representatives to be nominated by the Bombay Chamber of Commerce.

* Two representatives to be nominated by the Indian Merchants' Chamber.

One representative of the Educational Department nominated by the Director of Public Instruction.

Secretary.—Captain A. N. Chopra, I.M.S., Personal Assistant to the Surgeon-General.

* These should be practising and qualified chemists.

(2) *The terms of reference to the Committee were as follows :—*

The framing of a Pharmacy Act for Bombay Presidency in so far as it related to :—

(*a*) The registration and training of druggists, pharmacists and compounders;

(*b*) The licensing and registration of shops or establishments in which pharmaceutical products or poisons are sold;

(*c*) The formation of a Pharmaceutical Society in Bombay, its constitution and powers;

(*d*) The adequate inspection of chemists' and druggists' shops or establishments.

Government requested the Chamber to nominate two representatives to serve on the above Committee and the Committee of the Chamber nominated Dr. Kurt Soltner of Messrs. Havero Trading Company, Ltd., and Mr. C. E. Pilgrim of Messrs. Parke, Davis & Co.

CUSTOM HOUSE.

Closing on Charter Party Holidays.

(*See Reports*, 1924, *Vol. I*, *page* 210; 1932, *page* 166; 1933, *page* 176; 1934, *page* 102; 1935, *page* 134.)

In May 1936 a reference was received from the Burma Chamber of Commerce from which it appeared that the Burma Chamber had, for the first time, declared only 12 out of 18 holidays under the Negotiable Instruments Act, to be Charter Party Holidays, apart from Sundays, New Year's Day, Good Friday and Christmas Day.

The Burma Chamber had suggested to the Collector of Customs that Customs officers should be allowed half holidays only instead of full holidays on those days which had not been declared Charter Party Holidays and that the Custom House should be kept open on these days from 10 a.m. to 1 p.m. for the transaction of all business, without extra charge.

The Burma Chamber mentioned that its reasons for these proposals were that practically all business houses in Rangoon, apart from the banks, were open for the transaction of business on the six days which had not been declared Charter Party holidays and that a department which worked so closely in connection with commercial interests as the Customs Department did, should observe only such holidays as the interests themselves observed. The Collector of Customs informed the Burma Chamber that he was not able to find sufficient justification for the

proposed change and gave as one of his reasons that transactions involving the receipt of revenue could not be permitted on such holidays, since the Reserve Bank of India would not be open to accept collections of revenue from the Customs.

The Collector offered, however, to place the suggestions before the Government of India for consideration and orders and the Burma Chamber accepted his offer. The Burma Chamber requested the support of the Bombay Chamber to its proposals.

After consulting the Shipping and Export Sub-Committee, the Committee informed the Burma Chamber that Customs duties and charges in Bombay were not accepted on bank holidays on which only very urgent work was transacted. According to a notice issued by the Collector of Customs, Bombay, the term urgent work was taken to include :

(1) entry inwards and outwards of vessels,

(2) the granting of port clearance,

(3) the passing of import-free bills of entry covering bullion, specie, pearls unset and the like articles of high intrinsic value and perishable articles and put in respect of a vessel which arrived that morning or the previous evening after office hours,

(4) the passing of export-free shipping bills for the shipment of free cargo by a vessel clearing that day and sailing the next day (morning).

No fees were charged for urgent work as defined above.

Non-urgent work, however, was not performed on bank holidays.

In assuring the Burma Chamber of their support to that Chamber's proposals the Committee suggested that the co-operation of the Karachi, Madras and Bengal Chambers of Commerce might be sought in this connection, as in the opinion of the Committee, joint representations were likely to carry more weight than individual effort.

LIST OF ARTICLES SPECIFIED IN THE SEA-BORNE TRADE AND NAVIGATION RETURNS OF BRITISH INDIA.

(*See Report* 1935, *page* 112.)

In December 1935 the Director-General of Commercial Intelligence and Statistics enquired whether the Chamber had any suggestions to put forward for the amendment of the list of articles specified in the Sea-borne Trade and Navigation Returns of British India.

The Committee in reply expressed a hope that it would be found possible to specify sodium hydrosulphite separately in the Sea-borne Trade and Navigation Returns in future (see Report for 1935).

The Committee also suggested that "insecticides" which were at the moment included under chemicals and were being imported into India in considerable quantities should be specified separately in the returns.

In May 1936 the Director-General forwarded to the Chamber a statement showing the changes, with effect from 1st April 1936, in the list of articles specified in the Sea-borne Trade Returns of British India.

The Chamber's suggestion to specify sodium hydrosulphite separately was adopted, but the Director-General stated that the proposal to specify "insecticides" could not be accepted owing to practical difficulties. The Chamber's further suggestion that shares of provinces should be shown for fents in the monthly accounts was under consideration.

The Committee in again addressing the Director-General suggested that the existing head relating to wireless apparatus should be sub-divided as under :—

Wireless Apparatus :—

(*a*) Wireless Transmitters and Commercial Wireless Receivers.
(*b*) Complete Broadcast Receivers.
(*c*) Wireless Valves.
(*d*) Component Parts of Wireless Receivers other than Valves.
(*e*) Other Wireless Apparatus.

The Committee expressed a hope that it would be found possible to give effect to the above suggestion when the list was next revised.

The Director-General informed the Chamber at a later date that the suggestion had been noted for consideration at the next annual revision.

In June 1936 the Director-General intimated that the heading relating to fents in the foreign sea-borne import trade returns of British India had been revised as given below, the particulars recorded for each sub-heading being as noted against each :—

" Fents being *bona fide* remnants of piecegoods or other fabrics—

(*a*) of cotton, not exceeding 4 yards in length .. Yds., Lbs. and Value.

(*b*) of silk, artificial silk, silk mixture or artificial silk mixture, not exceeding 2½ yards in length .. .. Lbs. and Value.

(*c*) of other materials, not exceeding 4 yds. in length .. .. Lbs. and Value."

The Chamber's further suggestion that the share of each province in the total imports of fents should be shown was also adopted as from April 1936.

CLASSIFICATION OF PIECEGOODS.

Production and Import Statistics.

In August 1936 the Collector of Customs, Bombay, informed the Chamber that the Government of India had under consideration a scheme for reclassification for the production and import statistics of cotton piecegoods and an officer who was put on special duty in connection therewith had suggested, *inter alia*, that the invoices for imported cotton piecegoods should show the following further particulars in addition to those already shown, viz., length, width, etc. :—

(1) The quality of raw cotton used in the manufacture of cotton piecegoods;

(2) The dimensions in square yards in addition to linear yards;
(3) The weight in lbs.

With regard to suggestion No. (1) above, the Collector of Customs pointed out that there should be three broad divisions for classification of cotton piecegoods, viz.,

(*a*) Coarse, i.e., where in the manufacture of the fabrics the counts of yarn in singles before sizing used for the warp did not exceed 28s.

(*b*) Medium, i.e., where in the manufacture of fabrics the counts of yarn in singles before sizing used for the warp exceeded 28s but did not exceed 45s.

(*c*) Fine, i.e., where in the manufacture of the fabrics the counts of yarn in singles before sizing used for the warp, were over 45s.

The Collector stated that it would be sufficient from the Customs point of view if the invoices merely indicated that the counts of warp yarn did or did not exceed 28s or 45s as the case might be. It was not necessary or incumbent to specify the exact count used. It was understood that the additional particulars suggested had to be shown by British and Japanese shippers in the export returns of their country and if these details were insisted on for use in India very little extra hardship would be caused.

The Collector invited the views of the Committee on the suggestions put forward and enquired if it would be feasible to include the information in the invoices presented for imported cotton piecegoods.

The Committee, after consulting the Import Sub-Committee, informed the Collector that they proposed to submit the matter to the Manchester Chamber of Commerce for their opinion as it concerned more particularly manufacturers and shippers at that end. Before doing so, however, the Committee enquired as to what was meant by the use of the term "raw cotton" in suggestion No. (1), as this appeared to be in contradiction to the suggested divisions for classification of cotton piecegoods (*a*), (*b*) and (*c*) enumerated as having reference to (1). The Committee were unable to appreciate why the Govern-

ment of India should require a statement as to quality of *Raw Cotton* used in the manufacture of cotton piecegoods since the number of permutations and combinations in mixing was so enormous. The suggested divisions (*a*), (*b*) and (*c*) appeared to indicate that information regarding the counts of warp yarn only was required and not the quality of raw cotton. The Committee stated that they would be glad of enlightenment on this point and they suggested that the correct definition should be "Counts of warp used" instead of "Quality of raw cotton used." Even assuming that this was the correct definition it was difficult to see how crammed stripes and the large range of cloths, which needed more than one count of warp, were to be classified; the only possibility would be an average count, in which case the figures would be vitiated.

The Collector informed the Chamber in reply that the Committee's presumption that what was needed was information regarding the counts of warp yarn, was correct. He added that the expression "quality of raw cotton" was borrowed from the Tariff Board's report but that on further consideration it appeared that the definition was not correct.

The Committee subsequently submitted the matter to the Manchester Chamber of Commerce for their views.

SEA CUSTOMS ACT, SECTION 30.

(*See Reports*, 1932, *page* 155 : 1933, *page* 102 ; 1934, *page* 105.)

It was recorded in the Chamber's Report for 1934 that at the annual meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1934, the following resolution was moved on behalf of this Chamber and adopted unanimously :—

"In view of the large proportion of the landed cost of many imports now represented by Customs duty, it is urgently necessary that the basis of assessment in all British Indian ports and in all Maritime Indian States shall be uniform. This Association, therefore, urges Government to take early action with a view to the administration of the Sea Customs Act in such a manner as to ensure that im-

ported goods, subject to *ad valorem* assessment and assessed under section 30, sub-section (*a*), shall be so assessed on a wholesale cash price no greater than that at which they are first sold or are capable of being sold, at the time and place of importation."

The terms of the resolution together with a record of the discussion which preceded its adoption were duly communicated to the Central Board of Revenue who subsequently intimated that they had issued instructions to the Collectors of Customs to the effect—(1) that, wherever a series of wholesale transactions took place, the lowest wholesale cash price, corresponding presumably to the price at which the largest wholesale lot changed hands, should be taken as the basis, provided that the transaction was a transaction in contemporary open market conditions, that is to say, that the price was one at which any independent buyer of that quantity could have procured the goods and was not dependent on any special relation between seller and buyer of such a nature as to vitiate the representative character of the transaction, and (2) that no attempts to base assessment on "deduced market value" should be made whenever a substantial and reasonably continuous market for goods of the like kind and quality was not in existence at the port of importation.

The Committee were asked by the Associated Chambers of Commerce of India if they had any comments or suggestions to put forward. After consulting the Import Sub-Committee of the Chamber the Committee expressed the opinion that although the action taken by the Central Board of Revenue was belated and did not go all the way to meet the arguments put forward on various occasions by this Chamber, it was a step in the right direction. With regard to the first point in the Board's letter, the Chamber laid stress on the importance of seeing that the "wholesale cash price" should as nearly as possible be the price at which goods of a like kind and quality were capable of being sold at the time and place of importation, i.e., without any loading in respect of post importation charges. The Board's instructions that the lowest wholesale cash price

at which lots changed hands should be taken as the basis, was, in the opinion of the Committee, a reasonable attempt to meet the Chamber's views. The second point was a welcome attempt to meet the complaint that Customs officers were seeking unjustifiably to deduce a market value for certain goods instead of assessing them on invoice value in the absence of any readily ascertainable market value.

In September 1936 the Committee again addressed the Associated Chambers stating that they understood that the Bengal Chamber of Commerce had suggested that the import duty on piecegoods from the United Kingdom should, in future, be assessed on invoice value instead of on market values. The Committee expressed themselves as not being in favour of this proposal which, in their opinion, would lead to more abuse than the existing system. The Committee understood that their view was shared by the Manchester and Madras Chambers and they suggested that, after consultation with the Bengal Chamber, this should be put on record with the Government of India.

THE CUSTOMS TARIFF.

General Revision.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1935, the following resolution was moved by the Bombay Chamber and carried unanimously :—

" That this Association is of opinion that a general revision of the Customs tariff should be undertaken at the earliest possible opportunity, and that, subject always to the necessity for according reasonable protection to Indian industries, the objects of such revision should be firstly simplification, and secondly the lowering of Customs barriers which at present form a serious obstacle to trade recovery."

A copy of the resolution and of the report of the discussion which preceded its adoption, were duly forwarded by the Associated Chambers to the Government of India who subsequently invited the attention of constituent

Chambers to the speech of the Hon'ble the Finance Member delivered on 11th March 1935 in the Legislative Assembly in which he stated that the question of the revision of the tariff could not assume any practical importance until there was money to spare. This condition still awaited fulfilment and the Government of India were therefore unable to undertake at the time a general revision of the revenue tariff.

In addressing the Associated Chambers on the subject the Committee stated that in their opinion no further action could usefully be taken at the moment.

INDIAN WOOLLEN INDUSTRY.

Proposed Protection.

(*See Reports*, 1934, *pages* 133 *and* 296 ; 1935, *pages* 94 *and* 286.)

It was mentioned in the Chamber's Report for 1934 that the Government of India had referred for investigation by the Tariff Board the claims of the Indian woollen textile industry for protection in accordance with the principles laid down by the Indian Fiscal Commission and accepted by the Legislative Assembly. An enquiry was duly held and the Board submitted its report on the 10th June 1935. The Report received the consideration of the Government of India, who on the 23rd January 1936 issued it for general information and in a resolution of the same date published their decisions thereon. The Government of India stated that in the general description of the industry contained in Chapter II of the Report the Board drew attention to the well-marked differentiation between the woollen and the worsted branches of wool manufacture and in its analysis of the claim for protection, the Board dealt with each branch separately, though it realised that the two branches were not always mutually independent. With this procedure the Government of India were in full agreement, and in their resolution they separately considered the worsted and woollen branches.

The Worsted Industry.—The claim of the worsted manufacturing industry to protection was discussed in paragraphs 65-73 of the Board's Report. In its consideration of the extent to which this branch of the woollen industry complied with the conditions prescribed by the Indian Fiscal Commission, the Board pointed out that "one of the main factors of the first condition laid down by the Fiscal Commission, viz., the existence of an abundant supply of raw material, was not fully satisfied." India was, in fact, dependent for the most part on outside sources for the supply of the long fibre wool which constituted the raw material of the industry. If it was true, as the Board said, that for so long a period as could be foreseen, worsted manufacture would be mainly dependent on foreign supplies—and there appeared no reason to contest this statement—the Government of India were of opinion that the worsted branch of the industry, already handicapped by the comparative smallness of its home market, completely failed to satisfy the first and most important condition precedent to the grant of protection. The claim for protection must therefore also fail.

The Woollen Industry.—The Government of India noticed with regret that a very important section of the woollen branch, as represented by the Cawnpore and New Egerton Woollen Mills, had not found it possible to place before the Tariff Board any evidence as to the nature and degree of the competition which it experienced from imports from abroad or as to the costs of manufacture in India. They were in accord with the Tariff Board in considering that the bare assertion of an industry could not be accepted as evidence of the need for protection. They differed from the Board, however, in regard to its opinion that the case for protection, in general, and the estimation of the quantum of protection, in particular, could be properly determined in the absence of evidence from a section of the industry representing at least 50 per cent. of its production. Whatever might be the natural advantages of the woollen industry, the suppression of all facts relating to the comparative

efficiency of its most important units precluded any findings in regard to the fulfilment of the second and third conditions of the Fiscal Commission, and equally vitiated any calculation of the degree of the protection necessary in order to equate import prices to the fair selling prices of the average efficient mill. The Government of India, therefore, decided that on the evidence which had been produced it could not be held that a claim for the protection of the woollen branch of the industry had been established. They realised, however, that the defects in the case for protection were not necessarily irremediable, and they proposed to refer it back to the Tariff Board in order that those interests which had not yet thought fit to give evidence might have another opportunity to substantiate a case which would otherwise go by default.

Although they had felt compelled to reject, for the time being at least, the claim of the woollen mills, the Government of India were impressed with the recommendations of the Tariff Board in regard to the handloom and small-scale industry. They agreed with the Board in believing that the cottage industry would derive more benefit from technical advice and assistance in marketing arrangements than by the imposition of protective duties which in themselves provided no incentive towards the improvement without which the continued survival of the small-scale industry was problematical. The Government of India, therefore, decided, subject to the vote of the Legislative Assembly, to make a grant of Rs. 5,00,000 spread over five years for the benefit of the cottage and small-scale woollen industries. They intended that this grant should be administered in the same manner as the similar grant for the silk industry and applied for the benefit of those Provinces in which there was a substantial cottage and small-scale woollen industry.

In regard to the woollen hosiery industry, the Government of India did not propose to take any decision pending a consideration of the further Report of the Tariff Board on the claims of the main woollen industry.

PROTECTION OF PAPER INDUSTRY.

Classification of Paper for Tariff Purposes.

(*See Report* 1935, *page* 122.)

It was mentioned in the Chamber's Report for 1935 that the Government of India had asked the Tariff Board to examine the classification of paper for tariff purposes with a view to recommending such changes as might be considered necessary to give effect to the intentions of the Legislature in granting protection to printing and writing papers under the Bamboo Paper Industry (Protection) Act, 1932.

The Report of the Board was published on the 23rd May 1936 and the following resolution was issued by the Government of India on that date :—

1. In the Government of India's Resolution, No. 202-T (1)/35, dated May 25, 1935, the Tariff Board was asked to examine the classification of paper for tariff purposes with a view to recommending such changes as might be necessary to give effect to the intentions of the Legislature in granting protection to printing and writing papers under the Bamboo Paper Industry (Protection) Act, 1932. The Board's Report is published for general information.

2. In the course of its enquiry the Board has examined the practicability of a broad scheme of classification suggested by the Government of India, the central idea of which was the specification of non-protected papers and the grouping of all others in a residual protective class. In the opinion of the Board, it is impossible to compile an exhaustive list of papers which cannot economically be produced in India or which are not in competition with Indian products. The Board has therefore directed its attention towards making recommendations, the acceptance of which, while leaving the existing tariff substantially unaltered, will yet ensure that full effect be given to the intentions of the Legislature when it accepted the Paper Protection Bill of 1932. The Board's recommendations for amendment of the Tariff are set out in the model schedule contained in paragraph 18 of the Report. The most important recommendation relates to the tariff treatment of glazed hard sized buff or " badami " mechanical paper which has hitherto been treated as printing paper and by virtue of its high content of mechanical wood-pulp has escaped the protective duty. The Board finds that this " badami " paper is now imported

for use mainly as writing paper and has recommended that it should be treated accordingly and, like all other writing papers, subjected to the protective duty. The other recommendations for the most part represent, with slight modifications, existing assessment practice.

3. The Government of India accept the recommendations of the Board generally, but consider that such of them as require to be given effect to by legislation, viz., the recommendations in respect of envelopes and coated papers, are not so important as to justify the introduction of a Bill specially for that purpose. They propose, however, to place proposals to implement them before the Legislature when a convenient opportunity presents itself. To give effect to the other recommendations of the Board the Government of India have issued to-day the executive instructions for the guidance of Customs Officers which are set out as an appendix to this Resolution.

4. The foregoing decision involves a not inconsiderable extension of the range of protection now enjoyed by the Indian paper-making industry, and the Government of India are of opinion that it affords an appropriate opportunity for reviewing the necessity or desirability of maintaining the extra measure of protection which was fortuitously afforded to the paper industry, as to other protected industries, by the imposition of the revenue surcharge of 25 per cent. in 1931. With the exception of the match industry, where the original protective duty had already been completely effective in excluding competitive imports, the paper industry is the only protected industry which still enjoys this fortuitous advantage. The Government of India propose therefore to undertake forthwith a departmental enquiry as to whether the continuance of the surcharge on the paper protective duties is any longer justifiable. Firms or persons who desire that their views on this question should be considered by the Government of India should address their representations to the Secretary, Commerce Department, Government of India, on or before June 30, 1936."

APPENDIX

1. As a result of the report of the Indian Tariff Board on the classification of paper for tariff purposes the Government of India have decided that the following types of paper shall be classified as follows :—

(1) As writing paper—hard sized duplicator paper, hard sized white and buff or badami mechanical paper.

(2) As printing paper—unglazed thin news coloured (other than deep blue) of substance above 10 lbs. demy, unglazed thin news white, buff or badami of substance over 7½ lbs. demy, cover paper including machine glazed pressings and wrappings over 24 lbs. demy and cartridge paper below 24 lbs. demy, soft sized duplicator paper, soft sized white and buff or badami mechanical paper of substance above 7½ lbs. demy.

In June 1936 a member in addressing the Committee in the above connection stated that when protection was provided as a result of the Tariff Board Report in 1931, the recommendations were based on what was considered to be a fair selling price of Rs. 464 per ton. Unfortunately due to severe competition from abroad, trade depression and other factors, this price had never been realised by the Indian mills. On the contrary selling prices of paper had steadily gone down and the member regarded the present moment as very inopportune in the interests of the Indian paper trade for the removal of the surcharge, as within very recent months they had to reduce their prices in Bombay further owing to the very low prices ruling of foreign paper, particularly in regard to Japanese and German. The member pointed out that the prices of the German products were extremely low and must be quite uneconomical for the producing mills and were undoubtedly maintained at their existing low level either due to their Government's system of subsidising industries or due to the practice of " barter " which they had been indulging in.

The member pointed out that during the month of April 1,061 tons of paper were imported into Bombay alone, approximately half of this was in qualities which the Indian mills did not make, leaving about 500 tons of business from abroad which should have gone to the Indian mills. Against this the combined sales of all the Indian mills in Bombay were 194 tons only. This state of affairs subsisted in spite of the existing tariff duties.

The member felt that it would not be equitable for Government to remove this surcharge while the surcharge for income tax on profits earned by the industry was still maintained.

The Committee after carefully considering the matter informed the member that they found themselves unable to oppose the discontinuance of the surcharge if the Government of India after enquiry should so decide.

INDO-BRITISH TRADE AGREEMENT.

(*See Report* 1935, *page* 92.)

In February 1936 a special Sub-Committee of the Chamber was appointed to consider and report on the question of the renewal of the Ottawa Trade Agreement. A copy of the report of the Sub-Committee which is quoted below was forwarded to the European Group in the Central Legislature for their information in connection with the discussion in the Legislative Assembly in regard to the question of the renewal of the Agreement.

Report of the Special Sub-Committee appointed to consider the question of the renewal of the Ottawa Agreement.

In considering the working of the Ottawa Trade Agreement we have thought it advisable to confine ourselves principally to the effect of the Agreement on the exports from India to the United Kingdom, as India's export trade to the non-self-governing colonies is relatively very small. We do not think it necessary for us to comment on the effect of the Agreement on imports of the United Kingdom goods into India, further than to draw attention to the undernoted figures :—

Imports into British India of articles enjoying preference.

	1931-32	1932-33	1933-34	1934-35	Taking 1932-33 as base, index number in 1934-35.
	(In lakhs of rupees.)				
Total imports from all countries ..	30,78	33,33	32,52	38,42	
Index	100	108	106	125	115
Total imports from United Kingdom	12,61	13,27	14,91	16,90	
Index	100	105	118	134	127
Percentage share of United Kingdom	41	40	46	44	
Total imports from countries other than United Kingdom	18,17	20,06	17,61	21,51	
Index	100	110.4	96.9	118.4	107
Percentage share of countries other than United Kingdom ..	59	60	54	56	

These show that the percentage share of the United Kingdom has increased by only 3 per cent., and that the percentage share of other countries has decreased by a like amount.

In certain quarters the criticism has been made that the Agreement has not resulted in an expansion of India's exports generally, and in particular to Continental markets. It is therefore necessary to keep

in mind that the whole object of the Agreement was to increase trade with the Empire and, so far as concerns the Agreement between India and the United Kingdom to increase trade directly between those two countries.

There are many factors which have seriously disturbed the normal course of trade during the last two years, and which render a close comparison of India's trade before and during the period of the Ottawa Agreement extremely difficult, and in some directions impossible. The main factors are stated in the note on the Ottawa Agreement by the Secretary of the European Group in the Assembly, viz :—

(1) Industrial depression ;

(2) The policy of economic nationalism with its consequent restriction on trade ;

(3) Monetary changes and exchange instability ;

(4) Fluctuation of prices ;

(5) Changes in the demand for, and supply of, individual commodities both in the case of the United Kingdom as well as other countries.

We have examined in some detail the trade figures of a number of commodities which form the chief exports from India to the United Kingdom with particular reference to the extent to which the United Kingdom's takings of such commodities from India have fluctuated in relation to her total imports of the same commodities. We do not propose in this report to give these figures in any detail, but merely to record our conclusion that since the Trade Agreement became operative India has captured a slightly increased proportion of the total imports into the United Kingdom of most of the commodities to which the preferential tariffs apply.

A study of the general trade figures will show India's exports to the United Kingdom of commodities to which the preferential tariffs apply increased in value by 8.9 per cent. between 1931 and 1934, while her exports of the same commodities to other countries have decreased by precisely the same percentage. In the case of commodities given preference India's exports to all countries were less by Rs. 16½ crores in 1934-35 than in 1931-32, but exports to the United Kingdom increased by Rs. 3½ crores. The United Kingdom total imports of such commodities were less by £136½ million in 1934-35 than in 1931-32, but India's share of the total increased by £2,160,000. In the case of commodities *not* given preference in the United Kingdom, India's total exports in 1934-35 increased by 11.35 crores over 1931-32 of which increase the United Kingdom accounted for 1.78 crores. The United Kingdom total imports under the same head increased by £7½ million of which takings from India accounted for 3¼ million pounds.

Reference has recently been made in the Legislative Assembly to the balance of trade between India and the United Kingdom. Up to 31st March 1935 this balance was still in favour of the United Kingdom but it is very much less adverse to India than it was up to 1930, as the following comparative statement will show :—

India's balance of trade (excluding treasure).

(In crores of rupees.)

	1913-14	1929-30	1931-32	1932-33	1933-34	1934-35
With United Kingdom	— 59	—34	+ 0	—11	+ 0	— 5
With Empire excluding U. K. ..	+ 25	+24	+14	+14	+13	+11
With others	+100	+88	+21	+ 1	+22	+16

We think it not improbable that the utterances of certain of the delegates who attended the Ottawa Conference caused many people in this country, as in other countries, to take a too optimistic view of the probable effects of the Agreement. Even if the Trade Agreement between India and the United Kingdom has not achieved all that was expected of it we are certainly of opinion that it has been in no way adverse to the interests of India; in fact on balance India has gained slightly as a result of it. We do not subscribe to the opinion we have seen expressed in certain quarters that the existence of the Agreement had led to "subconscious retaliation" by countries which are not a party to it, with a consequent adverse effect on India's exports to those countries. The factors which have adversely effected such exports are those stated above.

The Ottawa Agreement has been in force for what is relatively a very short period and moreover a period in which the normal course of trade has been seriously disturbed. We are of opinion that what has already been achieved justifies a renewal of the Agreement for a longer term of years.

The debate on the Ottawa Trade Agreement commenced on the 26th March when the Hon'ble Sir Muhammad Zafrulla Khan moved the following resolution on behalf of Government :—

"That in accordance with the recommendation of the Committee, referred to in the resolution adopted by this Assembly on 6th December, 1932, a Committee of this Assembly be constituted to examine the working of the trade agreement concluded at Ottawa on August 20, 1932, between His Majesty's Government in the United Kingdom and the Government of India, and to report to the House thereon."

There were in all 12 amendments on the order paper.

The Legislative Assembly on the 30th March 1936 rejected the proposal of the Government of India and adopted the following amendment moved by Mr. M. A. Jinnah :—

" This Assembly recommends to the Governor General in Council that the Ottawa Agreement, dated the 20th August 1932, be terminated without delay and a notice of denunciation be given in terms of Article 14 thereof. The Assembly further recommends that the Government of India should immediately examine the trend of trade of India with various other important countries and the United Kingdom and investigate the possibility of entering into such bilateral trade treaties with them, whenever and wherever possible to bring about the expansion of export trade of India in those markets and submit such treaty or treaties for the approval of this Assembly."

As a result of the adoption of the above resolution the Government of India gave notice on the 13th May 1936 of denunciation of the existing agreement which would therefore lapse in six months from that date and the question of the negotiation of a new agreement with the United Kingdom came under the consideration of the Government of India. Members of the Chamber were circularised in July 1936 and asked that consideration be given, not only to the preferences granted to Indian exports on entry into the United Kingdom but also to the preferences accorded to the United Kingdom goods on importation into India. It was suggested that members should study the tables under the Ottawa Trade Agreement containing particulars of the commodities affected by the Agreement under the different schedules and the margin of preference in each case, with a view to determining (*a*) the probable effects on their business of the withdrawal of the existing preference, and (*b*) the necessity for an extension of the preferences, on the present or on a revised basis, under any new agreement that might be negotiated.

Members were requested to put forward any views regarding imports into India from the United Kingdom through their Home Offices to the Board of Trade in London

and also to His Majesty's Trade Commissioner in India at Calcutta or at Bombay, a copy being sent to the Chamber in order that the Committee might be in a position to take appropriate action in support as and when necessary.

Subsequently the Government of India informed the Chamber that His Majesty's Government in the United Kingdom had announced their willingness to enter upon discussions with the Government of India with a view to the conclusion of a trade agreement in replacement of that concluded at Ottawa in 1932. In the opinion of the Government of India the method by which negotiations with His Majesty's Government could most conveniently be carried on was that, as a first step, preliminary proposals should be prepared by both parties to the discussions and thereafter should be exchanged. In the preparation of their preliminary proposals, the Government of India agreed to associate with themselves a panel of unofficial advisers representative of commerce, industry and agriculture in India.

When each party, in the case of India, the Government of India, in consultation with their unofficial advisers, had had an opportunity of examining the proposals of the other in relation to its own, a stage would be reached when it would be possible to formulate with some precision the outstanding issues. It was then proposed that personal contacts should be established in London between representatives of the Government of India and their unofficial advisers on the one hand, and the representatives of His Majesty's Government on the other, and that the final stages of the discussion would be there concluded.

In order to enable the Government of India to formulate their preliminary proposals, the views of the Chamber were invited as to the lines on which it was considered desirable to conclude an agreement, regard being had both to the advantages which should be sought for India and the reciprocal concessions which might be given in return.

The views of members of the Chamber were solicited by circular and examined by a special Sub-Committee consisting of Mr. L. A. Halsall (President) and Messrs. W. A. Bell, C. J. Damala, H. G. Davies, H. A. Henry and H. B. Moore, whose recommendations were adopted by the Committee.

In addressing the Government of India the Committee drew attention to the report of the Special Sub-Committee reproduced above.

After considering the matter further in the light of the views expressed by members the Committee stated that they considered an agreement on the lines of that concluded in 1932 was desirable and that included in the schedules to it should be all goods which were accorded preferential tariff treatment in the United Kingdom and in India by the existing agreement. The Committee invited attention to some additional items which it was considered should be included in the schedules.

Exports from India.

Manganese Ore :—In Clause 50 of their Report the Indian Delegation to the Economic Conference at Ottawa in 1932 referred to the question of manganese, and the latter portion of the clause read as follows :—

"Manganese, being a raw material of industry, is free of duty in the United Kingdom and not included in any of the Schedules to the Agreement. We thought it worth while, however, to mention it here, because the Indian production has already diminished considerably under the pressure of foreign competition and if India's position in the United Kingdom market were ever threatened, it might be necessary to take the matter up again. The imports of foreign ore into the United Kingdom, should, we think, be kept under observation."

Since the Ottawa Trade Agreement was signed, an Act for the protection of the Indian iron and steel industry had been passed which imposed such duties as would equate the price of imported iron and steel to a fair selling price for the locally manufactured article. While no preference, as such,

was given to British goods they were assessed for considerably less duty than importations from the Continent, and it did not seem unreasonable to the Committee that India should ask for similar treatment for her exports of manganese ore to the United Kingdom. It was not suggested that India should ask for preferential treatment over the Colonies and Dominions, but consideration might be given to the possibility of imposing a duty on imports of Russian and other foreign manganese ore into the United Kingdom which would equate its price to the fair selling value of Indian ores. Further, on the analogy of the tariff differentiation in favour of imports of cotton piecegoods from the United Kingdom and the efforts that were being made by Lancashire to extend the use of Indian raw cotton, it seemed not unreasonable that steel interests in the United Kingdom should be approached with a view to the adoption of processes involving a larger use of low grade ore with a comparatively high phosphoric content. So far as the Committee's information went little had hitherto been done in this direction notwithstanding the great expansion which the British Steel industry was undergoing.

Articles in respect of which it was considered reciprocal concessions might be given to the United Kingdom.

Imports into India.

(1) Rubber insulated copper wires and cables no core of which had a sectional area of less than 1/80th part of a square inch.

(2) Wires and cable, insulated or not, poles, troughs, conduits and insulators designed as parts of a transmission system and the fittings thereof.

(3) Motor cycles.

(4) Motor cars and trucks. The existing preference was 7½ per cent. and in return for a reciprocal concession might be increased to at least 10 per cent. by reducing the rate of import duty on British vehicles.

(5) Earthenware pipes and sanitary ware which were at the moment assessed to duty under Item 59 (3) of the Import Tariff.

(6) Cast iron pipes and tubes and fittings therefor, which were at the moment assessed to duty under Item 63 (6) of the Import Tariff.

It was pointed out that in practice the specific duty of Rs. 57-8-0 per ton on goods of foreign manufacture assessed under this item was not infrequently less than the *ad valorem* duty payable on similar British goods.

A series of questions regarding the Ottawa Trade Agreement was asked by Mr. S. Satyamurti in the Legislative Assembly at Simla on 11th September. The answers given by the Hon'ble Sir Muhammad Zafrulla Khan, Commerce Member of the Government of India, indicated that the existing tariff arrangements with the United Kingdom would continue as a sort of *modus vivendi* pending the conclusion of a new agreement or until it became apparent that no fresh agreement could be negotiated.

A Commerce Department *communiqué*, issued on 20th October 1936, stated that in view of the fact that negotiations were in progress between His Majesty's Government in the United Kingdom and the Government of India for the conclusion of a trade agreement in replacement of that concluded at Ottawa in 1932 and which was due to terminate on November 13th, it had been agreed by the two Governments that, pending the conclusion of a new agreement, the 1932 agreement should continue in force subject to termination at 3 months' notice by either party, unless it was replaced by a new agreement. It was further agreed that in the event of failure to conclude a new agreement neither party should withdraw the existing preferences without prior consultation with the other party.

DUTY ON BRITISH COTTON PIECEGOODS.

(*See Reports*, 1934, *page* 135; 1935, *page* 88.)

It was mentioned in the Chamber's Report for 1935 that a special Tariff Board was appointed in September 1935 to investigate the adequacy of the protective duties applicable to cotton and artificial silk fabrics and to cotton yarns of British manufacture. The report of the special

Tariff Board was published for general information on the 25th June 1936 and in a resolution issued on the same day the Government of India stated that they were impressed with the fairness and impartiality with which the Board had approached a most difficult problem and they accepted without qualification the findings of the Board, namely :—

(*a*) that the duty on plain grey cotton piecegoods should be reduced from 25 per cent. *ad valorem* or 4¾ annas per lb., whichever was higher, to 20 per cent. *ad valorem* or 3¼ annas per lb., whichever was higher ;

(*b*) that the duty on bordered grey, bleached and coloured piecegoods (other than prints) should be reduced to 20 per cent. *ad valorem ;* and

(*c*) that the duty on cotton yarns should remain unchanged.

They agreed also with the Board that in the absence of evidence as to the nature and extent of competition between imports from the United Kingdom of printed cotton goods and artificial silk manufactures and the products of the Indian cotton mills, no finding as to the adequacy of the existing duties on such imports was possible and they did not propose therefore to disturb the level of these duties.

It had been hoped that it would be possible, in accordance with the statement made by the Hon'ble the Commerce Member in the course of the debate on the 1934 Textile Protection Bill, to give effect to the recommendations of the Board shortly after the expiry of the Mody-Clare Lees Agreement on which the existing duties were based. Unexpected difficulties, however, delayed the submission of the Report and the Government of India therefore decided to give immediate effect to the recommendations of the Board by a notification under Section 4(1) of the Indian Tariff Act.

The Government of India added that in taking the decision outlined above they had given the fullest consideration to the possible reactions of the reduction of duties on customs revenue and the budgetary position. It had already become clear that with the continuance of the

existing uncertainty as to the future level of the cotton textile duties, the revenue from imports of British cotton piecegoods must fall far short of the amount included in the current estimates. The interests of the revenue required an early termination of this uncertainty and the Government of India were satisfied not only that the yield of the duties at the existing level would not be appreciably less in the current year than it would have been if the former duties had been continued but also that there was no reason to anticipate that in future years revenue would be deleteriously affected.

IMPORT DUTY ON FENTS, SILK YARN AND COTTON KNITTED APPAREL.

INDIAN TARIFF (AMENDMENT) ACT.

(*See Reports*, 1934, *page* 151; 1935, *pages* 96 *and* 97.)

A Bill further to amend the Indian Tariff Act, 1934, was introduced in the Legislative Assembly on the 23rd March 1936. The object of the Bill was to give effect to certain amendments which it was proposed to make in the First Schedule to the Indian Tariff Act, 1934.

The Bill as introduced sought to achieve the following objects :—

(1) *Staple Fibre.*—A duty of 15 per cent. *ad valorem* or one anna per lb. (whichever is higher) on foreign imports and a preferential duty of 5 per cent. or half anna per lb. on United Kingdom imports.

(2) *Yarn Spun from Silk Waste or Noils.*—A duty of 25 per cent. *ad valorem* plus 14 annas per lb.

(3) *Fents.*—A duty of 50 per cent. *ad valorem* on foreign cotton fents not exceeding 4 yards in length. A duty of 50 per cent. *ad valorem* on foreign silk fents not exceeding 2½ yards in length. A duty of 35 per cent. *ad valorem* on foreign fents of other materials not exceeding 4 yards in length. In each case a preferential duty of 5 per cent. *ad valorem* on United Kingdom fents.

(4) *Cotton Knitted Apparel.*—The definition which formerly read: "Cotton Hosiery—cotton undervests, knitted or woven and cotton socks or stockings" amended to read "cotton knitted apparel, including apparel made of cotton interlocking material, cotton undervests, knitted or woven, and cotton socks and stockings." Duty to remain at 25 per cent. or 12 annas per lb.

The Committee after consulting certain members and the Import Sub-Committee informed the European Group, Indian Central Legislature, that they approved of the Bill.

The Bill was taken up for consideration by the Legislative Assembly on the 19th April 1936 and on the motion of the Hon'ble the Commerce Member was referred to a Select Committee.

The provision relating to staple fibres was omitted by the Select Committee who felt that the time was not ripe for the insertion of the proposed new item. The Bill was considerably amended both in Select Committee and by the Assembly when the report of the Select Committee was taken up for consideration on the 21st April 1936. The remaining provisions, as finally passed, were enacted as follows:—

(1) *Yarn Spun from Silk Waste or Noils*:—A duty of 25 per cent. *ad valorem plus* 14 annas per lb.

(2) *Fents*:—A duty of 35 per cent. *ad valorem* on foreign cotton fents not exceeding 4 yards in length; foreign silk and artificial silk fents not exceeding 2½ yards in length, and on other fents not exceeding 4 yards in length, with a preferential duty of 25 per cent. in each case on fents from the United Kingdom.

(3) *Cotton Knitted Apparel*:—The new definition was left unaltered, but the duty was fixed at 25 per cent. *ad valorem* or 12 annas per lb. on cotton knitted apparel of a weight not exceeding 4 lbs. per dozen; and 25 per cent. or 10 annas per lb. on apparel of a weight exceeding 4 lbs. per dozen.

On the 25th June 1936 the Government of India, Department of Commerce, issued the following notification No. 341-T (10)36:—

"Whereas the articles specified in the first column of the table hereto annexed are chargeable under the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), with a duty characterised in the third column thereof as protective:

And whereas in respect of the said articles, with the exception of printed cotton piecegoods and printed fabrics, the Governor General in Council is satisfied after inquiry that such duty has become excessive for the purpose of securing the protection intended to be afforded by it to similar articles manufactured in India :

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 4 of the said Act the Governor General in Council is pleased to reduce the duty chargeable on the said articles, with the exception of printed cotton piecegoods and printed fabrics, to the extent indicated in the said table.

Articles with number of entry in the First Schedule under which chargeable.	Present rate of duty chargeable under the Indian Tariff Act.	Reduced rate of duty.
48(3) Cotton fabrics, not otherwise specified, containing more than 90 per cent. of cotton.		
(*a*) grey piecegoods (excluding bordered grey chaddars, dhuties, saries and scarves) (1) of British manufacture.	25 per cent. *ad valorem* or 4¾ annas per *lb.*, whichever is higher.	20 per cent. *ad valorem* or 3½ annas per lb., whichever is higher.
(*b*) Cotton piecegoods and fabrics not otherwise specified (1) of British, manufacture.	25 per cent. *ad valorem*.	20 per cent. *ad valorem*.
48(9) The following COTTON FABRICS, namely sateens including Italians of sateen weave, velvets and velveteens and embroidered all-overs— (*a*) of British manufacture.	25 per cent. *ad valorem*.	20 per cent. *ad valorem*.

On a representation from a member the Committee subsequently invited the attention of the Government of India to an anomaly which had arisen in connection with the reduction in the duty on British Cotton Goods, viz., the duty on Fents for the same class of goods had not been correspondingly reduced. The position therefore was that the duties on cotton goods were as under :—

British—Cotton Goods 20 per cent. .. .. Fents 25 per cent.
Non-British—Cotton Goods 50 per cent. .. Fents 35 per cent.

The result was that while non-British fents enjoyed an advantage of 15 per cent. over ordinary goods, British Fents were penalised to the extent of 5 per cent. in respect of ordinary goods.

The Committee pointed out that *bona fide* fents were rejects which arose in the ordinary course of manufacture. To the extent that certain portions of cloth made had to be sold as fents, at a lower price than sound goods, they were a charge on the manufacturing costs of the latter. It seemed quite illogical that what were or should be, rejects should be liable to duty at a higher rate than sound goods. The Committee therefore suggested that the duty on British Cotton Fents should be reduced from 25 per cent. to 20 per cent.

The Government of India intimated that the views of the Committee had been noted.

COTTON SEWING AND DARNING THREAD.

Partial Exemption from Customs Duty.

The following Notification (No. 35 Customs) was issued by the Government of India, Finance Department, on the 30th May 1936 :—

No. 35.—In exercise of the powers conferred by Section 23 of the Sea Customs Act, 1878 (VIII of 1878), the Governor-General-in-Council is pleased to direct that the following further amendment shall be

made in the notification of the Government of India in the Finance Department (Central Revenues) No. 33—Customs, dated the 22nd June 1935, namely :—

In the said Notification, in Schedule I—Import Duties, under the head " A—General " for the entry in column 2 against Serial No. 28A, the following entry shall be substituted, namely :—

" Cotton sewing or darning thread wound on reels, balls, tubes, cards, bobbins, spools, cops, cheeses and cones." Serial No. 28A read as follows :—

" Serial No.	Goods.	Limitation & Conditions.	Extent of Exemptions.
28A	Cotton sewing or darning thread.	..	So much of the duty as is in excess of 5 per cent. *ad valorem* when the thread is of British manufacture and so much as is in excess of 6¼ per cent. *ad valorem* when it is of non-British manufacture."

INDO-JAPANESE TRADE AGREEMENT.

(*See Reports*, 1932, *page* 137; 1933, *page* 130; 1934, *page* 139.)

In February 1936 the Government of India drew the attention of the Associated Chambers of Commerce of India to the fact that the Convention and Protocol regarding commercial relations between India and Japan which were signed on the 12th July 1934 would, subject to denunciation, cease to be effective after the 31st of March 1937. Government explained that they had under consideration the desirability of renewing the Convention and Protocol either as they stood or in a modified form, or of negotiating an entirely new agreement and they invited the opinion of the Associated Chambers as to the lines on which modification or amendment appeared desirable.

The papers were referred to a special Sub-Committee of the Chamber which also discussed the whole question with representatives of the Bombay Millowners' Association and the Indian Merchants' Chamber in order that a united Bombay view might be placed before Government. Early in April 1936 members were circularised and requested to furnish the Committee with their opinion as to the lines on which modification or amendment appeared desirable.

The Special Sub-Committee had several consultations with the representatives of the Bombay Millowners' Association, the East India Cotton Association, the Indian Central Cotton Committee and the Indian Merchants' Chamber, and while a substantial measure of agreement was reached with regard to the policy which the Government of India should be recommended to follow in further trade negotiations with the Government of Japan, it was not found possible to formulate detailed proposals which would form the basis of a joint representation by these parties. Enough was done, however, to insure unanimity along certain broad lines in the memoranda which it was agreed should be submitted separately. The recommendations of the Special Sub-Committee were approved, and in April the Committee addressed the Government of Bombay, who had also consulted the Chamber in the matter, stating that while admitting that certain advantages had accrued to India from the Convention and Protocol, the Committee were of opinion that on the whole the results were not sufficiently favourable to warrant their renewal on the same terms. The Committee pointed out that in return for an engagement to take a quantity of cotton less than her normal requirements, and quantitative restriction on less than half her textile exports to India, Japan obtained most-favoured-nation treatment, and freedom from restrictions, other than general customs duties, on two-thirds of her total shipments.

In elucidation of these points the following two tables were given :—

Analysis of Japanese Textile Imports—11 *months*, 1935-36—

A. *Quota Goods*—	Rs.
Grey	2,17,70,000
Bordered	58,52,000
White	78,72,000
Printed	1,63,83,000
Dyed	27,39,000
Woven, Colour	39,11,000
	5,85,27,000

B. *Textiles excluded from Quota*—	Rs.
Cotton Yarn	1,63,48,000
Art Silk Yarn	49,15,000
Woollen Yarn*	*
Raw Silk	40,03,000
Silk Yarn	49,35,000
Art Silk Piecegoods	1,66,36,000
Art Silk Mixtures	19,16,000
Woollen Piecegoods	29,83,000
Silk Piecegoods	66,26,000
Woollen Mixtures	2,58,000
Silk Mixtures	33,06,000
Fents	53,06,000
	6,73,32,000

* No separate figures.

N.B.—24 lakhs haberdashery and 11 lakhs hosiery not included.

Short analysis of Japanese Textile and Non-Textile Imports—

	Rs.
Textiles included in quota	5,85,27,000
Textiles not included in quota	6,73,32,000
Non-textile goods	7,59,31,000
	20,17,90,000

In actual practice the trade agreement had worked more favourably than might have been expected from the strict letter of its terms, owing to the large excess of cotton purchased by Japan during the currency of the agreement,

which had restored approximately the balance of trade between the two countries. Against this India had the following disadvantages :—

(*a*) Japan was under no obligation to purchase this extra cotton, and presumably, would continue to do so only so long as it suited her. A falling off in her cotton purchases would, under the terms of the present agreement, only result in a serious adverse trade balance for India.

(*b*) The import of numerous classes of goods from Japan, unrestricted except by customs duties, had caused serious damage to other interests in India. As instances might be quoted numerous sundry goods, and the following textiles—artificial silk cloth, cotton yarn and fents.

The Committee were therefore of opinion that on balance the existing agreement had proved unsatisfactory from the Indian point of view.

A trade agreement between India and Japan was in the opinion of the Committee obviously necessary and new terms would in any case have to be negotiated. After consideration the Committee had come to the conclusion that denunciation of the Indo-Japanese Trade Convention would be a desirable if not a necessary preliminary to these negotiations. They had not thought it advisable, however, to do more than indicate the broad lines which such negotiations should, in their opinion, follow.

The first object of negotiations should be to secure for India the restoration of the favourable balance of trade with Japan which was enjoyed in former years. It was submitted that Japan as an important consumer of raw materials was a country with whom India could not afford to have an adverse trade balance particularly in view of the fact that the present export of gold from India could not continue indefinitely.

The Committee pointed out that the agreement, though it might specify only cotton on the one side and certain textiles on the other, was so framed that it governed

the whole volume of Indo-Japanese trade. It had been suggested in some quarters that the present agreement was unfavourable to Japan because she bought more cotton than the cloth she was allowed to ship under the quota. This comparison was misleading, as raw cotton at present made up the bulk of Indian exports to Japan, while the cotton cloths included in the present quota formed less than a third of Japanese exports to India. Any attempt to weigh raw cotton against cotton cloth or even against all textiles should be resisted. The consideration for Japan's cotton purchases should be the whole of her export trade with India.

The basis of the existing quotas in the opinion of the Committee should be broadened and brought into closer relationship with the actual quantities of goods now being taken. On the one hand Japan's raw cotton quota should be increased, so as to impose an obligation to take the quantities she now took voluntarily, while on the other hand the import quota scheme should be extended to include at least those textiles whose competition was felt most seriously in India.

While recognising that actual figures would be a matter for bargaining the Committee tentatively suggested the following :—

(*i*) Cotton export minimum to be raised to 15,00,000 bales.

(*ii*) New quotas to be arranged for artificial silk piecegoods and mixtures (40 million yards combined) and cotton yarn (10 million pounds weight).

(*iii*) Fents to be included in the quotas allotted to their constituent materials.

(*iv*) Made-up garments to be included in the quotas under a system of rating so many yards of cloth per garment.

The Committee considered the possibility of bringing sundry imports from Japan under the protection of a quota, but were unable to discover any workable method of applying such a scheme. In the event therefore of the Japanese delegates insisting on a "most-favoured-nation" clause, no discrimination would be possible against Japanese imports in these classes. This appeared to be an unavoidable defect in an agreement of the kind proposed.

In the above connection the Committee drew the attention of Government to negotiations between Japan on the one side and Australia and Egypt on the other, in which the Japanese plenipotentiaries had adopted a less intransigent attitude than was adopted at the negotiations in India in 1934, and the Committee suggested that an attempt might at least be made to reserve the right to deal with special cases which might arise later.

In conclusion, the Committee suggested that the Government of India be asked to appoint non-official advisers who should be consulted at all stages of the negotiations with the Government of Japan.

Subsequently the Committee again addressed Government suggesting the following re-arrangement of the piece-goods quotas to be allotted to Japan and added that they adhered to their proposal that fents should be included in the quotas allotted to their constituent materials.

Plain Greys	40 per cent.	
Bordered Greys ..	13 ,,	
Bleached Goods ..	8 ,,	
Coloured Goods ..	27 ,,	inclusive
Art Silk Goods ..	12 ,,	of Fents.

Following on this correspondence the Government of India invited the Associated Chambers to nominate three representatives to serve as unofficial advisers to Government during the course of the negotiations. In making

nominations the Association was asked to bear in mind the interests of the minor Indian industries. Mr. R. A. F. Kidson of Messrs. Grahams Trading Co. (India), Ltd., Bombay was nominated by this Chamber as one of the unofficial advisers to Government.

The following is a list showing the names of the unofficial advisers and the associations they represented, who met Mr. T. A. Stewart, Commerce Secretary, early in July :—

Sir Chunilal Mehta Mr. T. Maloney	Bombay Millowners' Association.
Mr. Kasturbhai Lalbhai	Ahmedabad Millowners' Association.
Sir Rahimtoola Chinoy Lala Shri Ram Mr. D. P. Khaitan	Federation of Indian Chambers of Commerce and Industry.
Mr. R. A. F. Kidson Mr. Robert Scotson Mr. A. L. Carnegie	Associated Chambers of Commerce of India.
Sardar Rao Bahadur Bhimbhai Naik Mr. M. P. Kolhe	Indian Central Cotton Committee.
Mr. F. D. Silva	Government of Madras.
Mr. P. B. Advani	Government of Bombay.

The report submitted by Mr. R. A. F. Kidson, together with a note by the unofficial advisers, showed that all the interests represented were able to arrive at a unanimous decision. The report and the note were placed at the disposal of members interested.

In August 1936 the Committee addressed the Government of India drawing attention to the note by the unofficial advisers and in particular to the recommendation in regard to fents which read as follows:—

"The import of Fents should be limited to reasonable proportions and we suggest that a reasonable limit would be 2½ per cent. of the cotton textile and art silk quotas combined."

The Committee understood that the intention was that 2½ per cent. was to be applied to each category within the quota and not to the total of the piecegoods quota.

This understanding was borne out by the report of the meeting held in Simla on 7th July 1936 where it was stated that "the imports of fents should be restricted to, say, 2½ per cent. of the corresponding piecegoods quotas." But the wording of the Note was not clear on the point owing to the use of the word "combined." The Committee considered that in any agreement that might be reached it should be made quite clear that the 2½ per cent. fents quota was applicable to each category and not to the total of the quotas.

In September 1936 the Committee again addressed the Government of India stating that they had given further consideration to the question of the rate of import duty on Japanese piecegoods, with particular reference to printed goods. In the Note which was submitted to Government by the unofficial advisers who met at Simla in July 1936 reference was made to this point, and the opinion was expressed that the introduction of the quota system had not been effective in securing the object in view and that consideration should be given to the desirability of raising the duties.

The Committee supported the views put forward by the unofficial advisers in the note referred to and again invited Government's attention to the proposal to increase the duties on Japanese printed goods. The imports of these goods from Japan had increased by approximately 50 per cent. in 1935-36 compared with 1934-35 and the prices at which they were sold were so low that it was quite impossible for Indian manufacturers or manufacturers in any other country to compete with them. In fact in the opinion of the Committee it would not be out of place to apply the term "dumping" to the Japanese imports of these goods.

The Committee also pointed out that since the issue of the Notification No. 341-T (10)/36, dated 25th June 1936, reducing the duty on certain classes of piecegoods of British origin there existed a differentiation in respect

of British goods between printed cotton piecegoods and others to the extent of 5 per cent. (viz., 25 per cent. *ad valorem* and 20 per cent *ad valorem*). It seemed reasonable, therefore, that at least a similar differentiation should be made in respect of cotton piece-goods of foreign origin.

On 28th September 1936 the Committee telegraphed to the Government of India as follows :—

" In view unexpected delay conclusion new Indo-Japanese agreement Chamber considers Government should seriously consider giving six months' notice to Japan to terminate Convention March 1937 such notice to be operative if in the meantime new protocol not concluded otherwise Japan will have all advantages most favoured nation treatment without obligation regards takings of Indian cotton or piecegoods quota."

On 22nd October 1936 Sir George Sansom on behalf of the British Ambassador at Tokio, handed to the Japanese Foreign Office the formal notification of India's intention to terminate the Indo-Japanese agreement on 31st March 1937. The notification gave an assurance of the desire for the continuance of the negotiations for a fresh agreement in Simla and expressed the hope that it would end successfully.

IMPORT DUTY ON PATTERN AND COLOUR CARDS.

(*See Report* 1935, *page* 113.)

It was recorded in the Chamber's Report for 1935 that the Committee had addressed the Central Board of Revenue suggesting that the Government of India should be moved to amend the Indian Tariff Act in order that pattern cards and other advertising material of no selling value might be admitted duty free.

In March 1936 the Central Board of Revenue informed the Chamber that the Board had decided that pattern cards and colour cards should be treated as samples unless they mentioned the firm's name, in which case they should be assessed as " advertising circulars."

IMPORT DUTY ON SOUTH AFRICAN COAL.

(*See Report* 1935, *page* 121.)

As was noted in the Chamber's report for 1935, the following resolution was carried *nem con* at the annual general meeting of the Associated Chambers of Commerce of India held in December 1935 :—

"Having regard to the competition with which Indian coal has been faced for years past and is still experiencing from imports of coal from South Africa, this Association is of opinion that Government should impose a countervailing duty of Rs. 1-8-0 per ton on imports of South African coal into India in addition to the existing revenue duty of 10 annas per ton on foreign coal."

The terms of the resolution together with a record of the discussion were duly communicated to the Government of India, Department of Commerce, from whom a reply was received to the effect that the situation was being watched.

DUTY ON IMPORTED CINEMA FILMS.

In August 1936 the Kinematograph Renters' Society of India, Burma and Ceylon, submitted a petition to the Government of India urging that the tariff valuation of, and the import duty on, imported exposed motion picture films should be reduced.

The Committee in addressing the Government in support of the petition stated that in their opinion the Society had made out a reasonable case and expressed a hope that it would receive the favourable consideration of Government.

LIST OF COTTON PIECEGOODS FOR CUSTOMS DUTY PURPOSES.

Annual Revision.

In September 1936 the Director-General of Commercial Intelligence and Statistics enquired whether the Chamber had any modifications to suggest in the list of cotton piecegoods prescribed for the purposes of assessment to import duty.

After consulting the Import Sub-Committee the Committee informed the Director-General that in regard to the item " Coatings (cotton) including Gabardines " they felt it should be made clear that the Gabardines were of cotton as there were Gabardines made of wool.

The Committee suggested the addition to the list of " Harness Spot Muslin " (sometimes called Chicken, Chicken Doria, White Spot Muslin, etc.). It was reported that not long ago difficulties were experienced by members in clearing consignments of this article at 20 per cent. as the local Customs classified them as Embroideries under item No. 48 (9) of the Tariff Schedule. The Committee understood that subsequently instructions had been received by the Customs from the Central Board of Revenue that the styles in No. 48 (9) were to be brought into line with No. 48 (3) as regards the application of the 20 per cent. duty, but the Committee felt that it would be as well to have these correctly classified.

The Committee also suggested the addition of Organdies, White, Tinted, Dyed.

MIXED WOOLLEN FABRICS.

(*See Reports*, 1933, *page* 123 ; 1935, *page* 93.)

The following Customs Ruling No. 1 of 1936 was issued by the Government of India, Finance Department, (Central Revenues), on the 3rd September 1936 :—

" The Government of India have decided that the term ' mixed woollen fabrics ' may be accepted as a description of articles containing not less than 33 per cent. of wool."

PAINT.

INTERPRETATION OF TERM FOR CUSTOMS DUTY PURPOSES.

The following Customs Ruling No. 1 was issued by the Central Board of Revenue on the 9th April 1936 :—

" The term ' paint ' as used in the Tariff should be regarded as including preparations whose primary purpose is protective, provided that they are applied to external surfaces. Preparations ordinarily used to provide a protective coating for the internal surfaces of boilers, etc., should be assessed as ' Chemicals '."

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"FAR EAST."

Use of Term in Tariff Classifications.

In July 1936, the Director-General of Commercial Intelligence and Statistics invited the Committee's views on a proposal to amend the tariff valued heads in which the term "Far East" appeared by specifying the countries which the term was intended to cover. The Director-General stated that this would be defined at the beginning of the tariff value notification. To avoid repetition of all these countries in the text of the tariff value notification it was proposed that a further note in the following terms be inserted at the beginning of the tariff value notification :—

"In this notification the expression "Far East" means China, Japan, the Straits Settlements, Malaya, Ceylon, Siam, French Indo-China, the Netherlands East Indies and other Far Eastern Countries."

After consultation with the Import Sub-Committee of the Chamber the Committee informed the Director-General that they were in favour of the proposal but they thought that the inclusion of Ceylon in the note would be likely to lead to confusion. The Committee approved of the note with the omission of Ceylon and in order to remove any ambiguity they suggested that after the words "Far Eastern Countries" the following words should be added :—

"lying wholly or partially East of the 100th meridian and north of 10° S."

The Committee further suggested that wherever "Far East" appeared in the tariff value notification an asterisk should be used in order to draw attention to the countries included in the term.

In the schedule of tariff valuations for 1937 the following Note was inserted :—

Note 2.—The expression "Far East" covers China, Japan, the Straits Settlements, Malaya, Siam, French Indo-China, the Netherlands East Indies and other Far Eastern countries. For the purposes of this notification it is intended also to cover Ceylon.

GUM AMMONIAC AND GUM BYSABOL.

Tariff Classification.

In August 1936 the Director-General of Commercial Intelligence and Statistics informed the Chamber that as the trade in "Gum Ammoniac" had disappeared and that in "Gum Bysabol" (coarse myrrh) was insignificant it had been suggested that the two heads relating to these two items might be deleted from the tariff valued list. The Director-General asked for the views of the Chamber on the suggestion.

The Committee after consulting the Import Sub-Committee informed the Director-General that they had no objection to the proposal.

ROSIN.

Tariff Classification.

In August 1936 the Director-General of Commercial Intelligence and Statistics informed the Chamber that owing to the reported difference in the prices of wood rosin and gum rosin it had been suggested that the existing tariff valued head "Rosin" should be split up and two separate tariff values should be fixed for "wood rosin" and "gum rosin." It appeared, however, that the distinction between the two kinds which the imposition of separate tariff values would necessitate, would, except on the basis of the relative colour and transparency, result in practical difficulties in the classification for assessment. The Director-General proposed therefore, as a remedy to the existing difficulties, that the tariff valuation for rosin should be abolished and that rosin, in future should be assessed on an *ad valorem* basis. The Director-General asked for the views of the Chamber on the proposal.

The Committee after consultation with the Import Sub-Committee informed the Director-General that they were in favour of the proposal to assess "Rosin" on an *ad valorem* basis.

HEMP, RAW AND UNDRESSED.

Tariff Classification.

In September 1936 the Director-General of Commercial Intelligence and Statistics informed the Chamber that hemp was imported into British India mainly by Rope Works for use in their own factories and as there was no regular market price for hemp in any of the major ports in British India, it had been suggested that the head "Hemp, raw and undressed" might be deleted from the tariff valued list.

The Director-General asked for the views of the Chamber on the proposal. After consulting the Import Sub-Committee the Committee informed the Director-General that they were in favour of the proposal.

VEGETABLE PRODUCT, MINERAL OIL, Etc.

Tariff Classification.

In August 1936 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on the following proposals for amendment of the tariff valued heads :—

Item No. in the First Schedule of the Import Tariff.	
5(1)	It was proposed to fix tariff values for chanks under the following heads for convenience of assessment :—
	Chanks— Per 1,000.
	Sound live—
	Sound dead—
	Other sorts—
20	The tariff value of "Vegetable Product (excluding hardened cocoanut oil) was fixed at a time when large imports were being made in 40 lb. tins. As imports of this article had considerably declined and as imports at the moment were mainly in small containers for retail sale the need of a tariff value was no longer felt and it was proposed to delete this item from the tariff-valued list.

Item No. in the First Schedule of the Import Tariff.

27(7) It was proposed that the tariff-valued head "Mineral oil which had its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, etc." might be amended by addition of the words "in tank steamers" at the end so that the classification might be quite clear and there might be no room for dispute regarding consignments in drums which were not assessable under this item.

31(4) It had been suggested that the tariff-valued head "Camphor, refined, other than powder" was not sufficiently explicit in that it did not definitely exclude synthetic camphor to which the item did not apply. It was therefore proposed to amend this tariff-valued description to "camphor, tablets and slabs, other than synthetic" and to recast the existing tariff-valued heads relating to Camphor in the following manner—

"Camphor, Synthetic—

(*a*) Powder.

(*b*) In slabs and tablets.

Camphor, other than Synthetic—

(*a*) Powder.

(*b*) In slabs and tablets."

84 It appeared that there was a recognised standard of quality for tennis balls and that their assessment on a tariff value would be convenient. It was therefore proposed to fix a tariff value for this article.

After consulting members interested the Committee expressed the following views on the proposed changes in the tariff classification :—

5(1) The Committee had no views to express on the proposal to fix tariff values for chanks.

20 Owing to the wide fluctuations which were occurring in world market prices of such oils as were suitable for the manufacture of vegetable product, there were liable to be widely different prices from time to time for the manufactured article, and in consequence there was a danger that, if vegetable product was removed from the tariff valued list, an opening would be created for misdeclarations of value by unscrupulous importers, causing loss of revenue to Government and dislocation of the local industry. The Director-General did not state that any difficulty was being experienced in arriving at a tariff valuation for vegetable

Item No. in the First Schedule of the Import Tariff.

product even though imports were small at the moment. The system of tariff valuations was admittedly convenient both to the trade and the Customs authorities and in the circumstances the Committee suggested that this item be retained in the list for the time being.

27(7) The Committee had no objection to the proposed amendment of the tariff valued head "Mineral Oil, which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, etc.", by the addition of the words "in tank steamers," but they suggested that the definition should include oil carried in bulk in deep tanks or in double bottoms of cargo vessels.

At a later date the Committee informed the Director-General that since the object of amending this item was to preclude the possibility of importers bringing in consignments of oil in drums which were not assessable under this item, they suggested that the final words of this section should be amended to read "if imported otherwise than in packages."

31(4) The Committee agreed with the proposal to recast the existing tariff valued heads relating to camphor.

84 The Committee had no objection to the proposal to fix a tariff value for tennis balls.

The above-mentioned items were dealt with as follows in the Tariff Schedule for 1937 :

Item No. in the First Schedule of the Import Tariff.

5(1) The new classification for chanks was adopted.

20 A tariff valuation for vegetable product was retained.

27(7) The words "if imported naked in bulk" were substituted for the words "if imported in bulk."

31(4) The new classification of camphor was adopted.

84 A tariff valuation for tennis balls was inserted.

FURNACE OIL.

TARIFF VALUATION.

(*See Reports*, 1928, *Vol. I*, *page* 139 ; 1929, *Vol. I*, *page* 124.)

In November 1935 a member of the Chamber drew attention to the high tariff valuation fixed for furnace oil and diesel oil and asked the Committee to take up with

the Director-General of Commercial Intelligence and Statistics, when he visited Bombay, the question of fixing a separate tariff valuation for furnace oil. As the letter was received only on the date of the meeting a copy was, at the Director-General's request, sent to him, but he intimated later that the letter had been received too late for consideration in connection with the revision of the tariff values for 1936 and suggested that the question should be taken up early in the new year.

In addressing the member in the matter the Committee pointed out that the tariff valuation for fuel oil for the year 1936 had been reduced from Rs. 38 to Rs. 33 per ton, which was equivalent to a reduction in the duty payable of ten annas per ton.

The Committee added that the question of fixing a separate tariff value for furnace oil had been under the consideration of the Chamber for many years past (see the Chamber's Annual Reports for 1928 and 1929). There were, however, the Committee understood, certain technical difficulties in having distinct specifications for furnace oil and diesel oil on a sufficiently comprehensive basis of physical properties to enable the various grades to be treated as separate products for Customs purposes and unless these difficulties were overcome it did not appear to be possible for a separate tariff value to be fixed for furnace oil as distinct from diesel oil.

BANSLOCHAN (BAMBOO CAMPHOR).

Tariff Valuation.

(*See Report* 1935, *page* 127.)

In August 1936 the Director-General of Commercial Intelligence and Statistics informed the Chamber that with a view to make it clear that the tariff-value applied

only to "Banslochan" in the crude form it had been proposed that the existing head "Banslochan (bamboo camphor)" should be qualified by the addition of the word "crude." The Director-General asked for the views of the Committee on the proposal.

The Committee after consulting the Import Sub-Committee informed the Director-General that they had no objection to the proposal.

TARIFF VALUATIONS.

Annual Revision.

In accordance with the usual practice the Director-General of Commercial Intelligence and Statistics met representatives of the Chamber on Friday, 20th November 1936 and discussed with them his proposals for the annual revision of the tariff schedule in respect of articles assessed to duty at tariff valuations.

TEA CESS ACT, 1903.

Proposed Amendment.

In January 1936 the Government of India informed the Chamber that the Indian Tea Association had made certain proposals for amendment of the Indian Tea Cess Act. The Government of India asked for the views of the Chamber on these proposals and in particular on the following :—

(1) Alteration in the maximum rate of cess leviable from annas twelve to Rupee one and annas eight per 100 lbs. of tea exported, and

(2) Change in the constitution of the Committee (Bureau) so as to raise the number of members from 20 to 25 and to provide for greater representation thereon of the Indian tea interests.

The Committee informed the Government of India that they had no views to put forward in connection with the proposals and added that the members of this Chamber were prepared to leave the matter in the hands of the Indian Tea Association.

The amending Act was duly passed by the Central Legislature.

In December 1936 the Associated Chambers of Commerce of India asked for the views of this Chamber on a proposal that had been put forward by the Indian Tea Cess Committee with the support of an overwhelming majority of the tea industry of British India to fix the rate of cess on tea produced in British India and exported therefrom at Rupee one and annas four per 100 lbs.

The Committee informed the Government of India that they had no objection to the proposed increase.

RAILWAY ENQUIRY COMMITTEE.

In the course of his report on the financial relationships of the provincial Governments with the Government of India, Sir Otto Niemeyer, made the following comment :—

" The position of the Railways is frankly disquieting. It is not enough to contemplate that in five years' time the Railways may merely cease to be in deficit. Such a result would also tend to prejudice or delay the relief which the Provinces are entitled to expect. I believe that both the early establishment of effective co-ordination between the various modes of transport and the thorough-going overhaul of Railway expenditure in itself are vital elements in the whole Provincial problem."

In view of the above comment and the recommendation of the Public Accounts Committee, the Government of India in October 1936, appointed a Railway Enquiry Committee consisting of Sir Ralph L. Wedgwood, Chief General Manager, London and North Eastern Railway and Mr. W. A. Stanier, Chief Mechanical Engineer, London

Midland and Scottish Railway. The Committee was assisted by Mr. Forbes, Chief General Manager's Assistant for the rates and statistics of the London and North Eastern Railway. Mr L. H. Kirkness, Secretary of the Railway Board and Mr. B. M. Strouts acted as joint secretaries.

The terms of reference to the Committee were as follows :—

"To examine the position of the Indian State-owned Railways and to suggest such measures as may otherwise than at the expense of the general budget (1) secure improvement in the net earnings, due regard being paid to the question of establishing such effective co-ordination between road and rail transport as will safeguard the public investment in railways, while providing adequate services by both means of transport, and (2) at a reasonable early date, place the railway finances on a sound and remunerative basis."

In November 1936 the Railway Enquiry Committee enquired whether the Chamber desired to place its views before the Committee. A special Sub-Committee consisting of Mr. L. A. Halsall (President), Mr. F. Stones, O.B.E., The Hon'ble Mr. R. H. Parker, Messrs. J. B. Greaves, S. Fuchsmann, R. C. Lowndes and M. S. Durutti was appointed to prepare a memorandum embodying the Chamber's views on the various points to be placed before the Railway Enquiry Committee and Messrs. Halsall and Stones with Messrs. Greaves and Durutti met the Enquiry Committee on Wednesday the 9th December and gave oral evidence before them.

The memorandum submitted by the Chamber's representatives is printed in full in the Appendices.

RAILWAY GENERAL CLASSIFICATION OF GOODS.

Introduction of New Classification.

On the 1st May 1936 a new general classification of goods was introduced by the railways which contained 16

class rates in place of the 10 class rates included in the old classification. The new and the old class rates are given below :—

Old.		New.	
No.	*Pie per maund per mile.*	*No.*	*Pie per maund per mile.*
1	.38	1	.38
2	.42	2	.42
		2 A	.46
		2 B	.50
		2 C	.54
3	.58	3	.58
4	.62	4	.62
		4 A	.67
		4 B	.72
5	.77	5	.77
6	.83	6	.83
		6 A	.89
7	.96	7	.96
8	1.04	8	1.04
9	1.25	9	1.25
10	1.87	10	1.87

The new classification resulted in a more even spacing of the class rates and did away with the large differences that used to exist between two consecutive classes, *e.g.*, between the old classes numbers 2 and 3.

As no practical advantage could arise from this facility until use was made of the additional class rates the Indian Railway Conference Association decided to make use of them on the following lines :—

(*a*) A reduction in the difference between the classified rates at Railway Risk, and Owner's Risk, which would give the trade the option of taking advantage of Railway Risk rates on payment of a much lower premium over the Owner's Risk rate than had previously been possible. The new classification provided reductions in Railway Risk rates for over 300 commodities.

(*b*) The removal of as many as possible of the anomalies that occurred in the old classification, so that like commodities might be similarly charged.

(*c*) Enhancing rates for certain commodities for which an increase had for some time been felt justified, but which it had not been possible to effect owing to no suitable class rate having been available.

(*d*) Enhancing rates for various commodities with a view to providing railways with much needed additional revenue.

Shortly after the introduction of the new general classification the Indian Railway Conference Association forwarded to the Chamber a list of articles the classification of which it was proposed should be enhanced and asked for the views of the Chamber thereon.

All members of the Chamber were sent copies of the list and requested to furnish the Committee with any criticisms or objections they might desire to make in regard to the proposals. Replies were received from several members of the Chamber and the Committee were favoured also with a letter addressed to the Railway Board by the Bengal Chamber protesting against proposed increases in freight rates on piecegoods, kerosene, sugar and tobacco.

In addressing the Railway Board on the subject the Committee in the first place pointed out that some 282 articles were listed which would affect most members of the Chamber and many of them very seriously, and the full implications of the proposals necessarily required time for examination. In the time at their disposal, however, the Committee found themselves unable to comment on the reference otherwise than on a general basis.

The Committee supported the protest of the Bengal Chamber against the proposed increases in freight rates on piece-goods, kerosene, sugar and tobacco. They stated that they fully realised the importance of the railways of this country being brought to a state of budgetary stability at the earliest possible date, but what they were not satisfied about was that proposals such as those under discussion, which would result in increased freights being charged on a large number of commodities, were necessarily the best way to achieve the desired end. The chief hindrance to any appreciable improvement of trading conditions in this country was the low purchasing power of the vast majority of the population, i.e., the agriculturists. As a result of that low purchasing power the commercial

community had been compelled to make very drastic reductions in the prices of the articles they sold and correspondingly drastic reductions in their own expenses. There were few to-day who would assert that there was any margin left for a further reduction in selling prices. If therefore the cost of transporting goods to the various consuming centres in India was to be increased in any direction the result, in the opinion of the Committee, would be to check the slight improvement in railway traffic returns that were discernible, if not to cause a set-back to it. Increased cost of rail transport would inevitably result in a greater quantity of goods being despatched by cheaper routes available, e.g., by road or steamer.

The Railway Administrations complained that a not inconsiderable proportion of their loss of traffic revenue in recent years was due to uneconomic competition by road transport. This undoubtedly was so, and to the extent that such competition was economically unfair, this Chamber, in common with other interests, was anxious to see it eliminated. That, in the opinion of the Committee, could only be achieved by suitable legislation—increased freight charges by railways would only serve to aggravate the trouble. Comments received from members on the proposals before the Association indicated clearly that if these proposals were sanctioned the result would be that they would as far as possible move their goods by other means of transport than the railways.

In recent months there had undoubtedly been a slight increase in the earnings of Indian railways, as the following figures showed :—

(1) Approximate total gross earnings from 1st April to 10th June (in lakhs of rupees)

1934	1935	1936
18.55	18.35	18.74

which showed an increase for 1936 as compared with 1935 of Rs. 39 lakhs.

The above figures included passenger earnings, but the improvement was clearly due to increased goods traffic, except on the Bengal-Nagpur and Eastern Bengal Railways.

(2) Wagons loaded on broad and metre gauge railways from 1st April to 10th June :—

	1935.	1936.	% increase compared with 1935.
Coal and Coke for the public and foreign railways	2,15,003	2,23,048	3.74
Grains and pulses	1,64,967	1,71,505	3.96
Oilseeds	43,878	44,868	2.26
Cotton	33,957	40,231	18.50
Miscellaneous smalls	3,27,442	3,41,109	4.18
Do. full wagons	5,12,554	5,30,209	3.44

In respect of the bulk of the commodities comprising the trade and commerce of this country there had not been any appreciable increase in prices—in many of them the reverse was the case—and in the opinion of the Committee it was not an opportune time for the railways to seek to improve their position by increasing their charges on goods traffic. The Committee suggested that the remedy must be sought elsewhere, viz.

(1) A close examination of all items of railway expenditure with a view to further economies.

(2) Suitable legislation for the proper control and supervision of road traffic.

(3) Taking all possible advantage of the present increase in traffic to stimulate it, and not to increase the incidence of charges on it.

As already mentioned the Committee were unable in the time at their disposal to comment in detail on the effects of the Railway Administrations' proposals. They therefore merely drew attention to a statement detailing some of the articles on which, according to the advices of members of this Chamber concerned, the proposals would have an adverse effect and would check any increase if, in fact, they would not result in a decrease in the volume despatched by rail.

List of articles referred to above.

	Increase in effective rate %
Agricultural Implements	10
Ale and beer in bottles or in jars packed in cases or hampers— Includes—Porter, Stout	38
Ale and beer not in bottles or in jars— Includes—Porter, Stout	19
Axles and wheels of carriages, and other wheeled vehicles except country carts	34
Axles and wheels of country carts	48
Carts, all-steel, with or without pneumatic tyres, subject to a minimum weight for charge of 27 maunds each	34
Carts, all-steel, in pieces or parts, i.e., wheels, axles, etc. removed	34
Carts, municipal, or any other kind except carts, country, subject to a minimum weight for charge of 27 maunds each	34
Carts, municipal or any other kind except carts, country, in pieces or parts, i.e., wheels, axles, etc., removed	34
Carts, tar boiling, subject to a minimum weight for charge of 27 maunds each	34
Cider in bottles or in jars packed in cases or hampers	38
Cider not in bottles or jars	19
Colours, paints and dyes—Division A— As under— Abbir, etc.	16
Colours, paints and dyes—Division B— As under— Colours and powders, dry, used for colouring and painting other than those mentioned in Division A., etc.	19
Disinfectant liquids, N.O.C. in drums	10
Earthenware or stoneware, N.O.C., CC/B.G., CC/M.G., or N.G.	10
Electrical appliances and fittings—Division B— As under— Conduits or piping insulated, etc.	8
Electrical appliances and fittings—Division C— As under— Accumulators, batteries and cells, not containing acid or alkaline liquids, etc.	10
Epsom salts	10
Ferro-manganese	48
Ferro-Phosphorus	48

	Increase in effective rate %
Glycerine, crude	10
Grease—Includes Gripe belt paste	10
Gunnies—Includes Gunny bags, etc.	10
Hair oils and hair dressing preparation—Includes Cocoanut oil, refined or perfumed in bottles, Jessamine oil	16
Hydrogen peroxide solution of strength 40 volumes and under	10
Insecticide, N.O.C.	10
Insecticide, fluid, inflammable	10
Machinery other than Electrical—Includes Boilers, N.O.C., etc.	10
Milk, condensed and tinned	8
Muriate of ammonia	10
Newspapers, packed—Includes magazines and periodicals	79
Oils—Division C—	
As under—	
Batching Oil, etc.	10
Paint and varnish removers, corrosive, non-inflammable	10
Paper in rolls, protected at the ends and sides	10
Paper pulp	10
Petroleum and other hydro-carbon oils, non-dangerous, i.e., having a flashing point at or above 76° Fahr.—	
As under—	
Crude oil, etc., except kerosene oil	10
Phenyle, soluble	10
Rope, manilla	19
Soap	19
Soda crystals or soda ash	10
Spirits, wines and cordials (in bottles or in jars packed in cases or hampers)—Includes liquor	7
Spirits, wines and cordials (not in bottles or in jars) imported —Includes liquor	16
Spirits, wines and cordials, country (below 50° overproof, having a flashing point below 76° Fahr.) p ; d , L.	8
As under—	
Arrack.	
Liquor,	
Mhowa Spirit,	
Toddy.	
Spirits, wines and cordials, country (below 50° overproof, having a flashing point at or above 76° Fahr.) p/16	8

	Increase in effective rate %
As under— Arrack, Liquor, Mhowa Spirit, Toddy.	
Sulphur C/300 B.G., C/160 M.G., or N.G.	10
Survey instruments and appliances	25
Tipping wagons	19
Tubs, bath, earthenware and fireclay	16
Twine (string) N.O.C.	10
Wagons, light railway, packed in crates or boxes	19
Wagons, Railway, unassembled component parts of ..	19
Wood pulp	10

RAILWAY CLASSIFICATION OF GOODS.

AMENDMENT IN RESPECT OF CERTAIN COMMODITIES.

(*See Report* 1935, *page* 136.)

During the year under review the Chamber was again asked by the Indian Railway Conference Association for its views in regard to several proposals that were put up for discussion at the various meetings of the Commercial Committee for Interchange in connection with the amendment of the General Classification of Goods. After consulting the Docks and Railways Sub-Committee in each case the Committee approved of most of the proposals and except in the cases noted below they offered no comments.

Compressed Oxygen.—In December 1935 the Indian Railway Conference Association asked for the views of the Chamber on a proposal that was down for discussion at the February (1936) meeting of the Commercial Committee to reclassify compressed oxygen gas under 8 R.R. and 6 O.R.

The Committee informed the Indian Railway Conference Association that in their opinion the trade appeared to have a good case for the placing of compressed oxygen in a lower classification than at present. On the other hand the Committee felt that good reasons had been stated for the article not being rated as low as compressed carbonic acid gas and they considered that the suggestion that it should be classified under 8 R.R. and 6 O.R. was a reasonable compromise.

Hats, Sola.—In December 1935 the Indian Railway Conference Association asked for the views of the Chamber on a proposal for the deletion of condition S/14 attached to "hats, sola." Under condition S/14 the goods were charged on measurement at 8 cubic feet per maund or on actual weight whichever gave the higher charge. By the deletion of the condition the freight charges on the goods would be recovered on actual weight only.

The Committee informed the Indian Railway Conference Association that in their opinion the proposal to abolish the condition "S/14" attached to the entry of "hats, sola" in the General Classification of Goods was reasonable. At the same time the Committee stated that there seemed to be little justification for any distinction being made, whether by condition "S/14" or by the rate, between sola and other kinds of hats.

Tea and Tea Waste:—In December 1935 the Indian Railway Conference Association asked for the views of the Chamber on certain proposals for reclassification of rates which had for their object the removal of one of the difficulties experienced in the trade in tea in India, viz., the mixing of tea waste with good tea.

The Committee informed the Indian Railway Conference Association that they were in full sympathy with the desire of the Indian Tea Association to suppress the illicit traffic in tea waste and they noted that the Railways might be able to help.

Hydrogen Peroxide.—In January 1936 a member drew the attention of the Chamber to the fact that the Goods Tariff of the Indian Railways contained the following restrictions regarding the transport of hydrogen peroxide under Reference P/23 :—

"Must be packed in glass Carboys (with an effective vent in the bung) containing not more than 130 lbs."

The member pointed out that the packing usually adopted by them was 143 lbs., to which the Railways raised objections. The member asked the Committee to take the matter up with the Indian Railway Conference Association. When the papers were in course of circulation to the Docks and Railways Sub-Committee, the Railway members of the Sub-Committee stated that the matter had been referred to the Chief Inspector of Explosives with a view to an increased weight being accepted. The Chamber was subsequently informed that packing condition P/23 attached to hydrogen peroxide solution of strength 40 volumes and under, when in glass carboys. had been modified to read as under :—

"In glass Carboys (with an effective vent in the bung) containing not more than 145 lbs."

Paraffin Wax.—In December 1935 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to classify paraffin wax at 6 R. R. and to alter the entries of wax refined and wax unrefined to read—

Wax refined n.o.c.	6 R.R.
Wax unrefined n.o.c.	4 R.R.

The Committee in reply stated that it would appear that the trade was unable to agree to one classification for all grades of paraffin wax if that classification was to be 6 R. R. and not 4 R.R. A great deal of the paraffin wax carried at the moment was booked and accepted by the Railways at 4 R.R. and the trade would regard the unification of the rate at 6 R.R. as an unnecessary handicap, particularly so on the low melting point wax,

which was sold for about 2 annas 9 pies per lb. in competition with tallow which sold at about the same price and was carried by the Railways at 2 R.R. Moreover, it was significant that the Assam Bengal Railway, which the Committee were informed, carried about ten times as much as the other railways in India, recommended that this commodity be classified at 4 R.R.

In summing up the Committee expressed the opinion that there should be only one classification for Paraffin Wax, namely, 4 R.R.

Wheels fitted with Rubber Tyres and Tubes used on Country Carts.—In March 1936 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to classify wheels fitted with rubber tyres and tubes under 6A, R.R., 6, O.R. and to alter the existing entry of axles and wheels of country carts to axles and wheels of country carts, not otherwise specified.

The Committee in replying to the Indian Railway Conference Association referred to a letter addressed to the Association by the Chief Commercial Manager, North Western Railway, on which it was stated that the wheels in question were generally used for lorries and cars. This the Committee pointed out was not in accordance with the information received by them as they understood that the wheels imported and sold for country carts were sold for this purpose and for no other and that such wheels would not be used for motor vehicles. The Committee pointed out that a set of pneumatic tyre equipment for bullock carts weighed on an average 258 lbs. of which the actual tyres and tubes weighed 75 lbs. or only 29 per cent. of the total weight. The Committee stated that it did not therefore appear equitable to place the sets of equipment under a freight rate class which only applied to motor and truck tyres. The Committee furthermore stated that they understood that wheels and tyres for use on animal-drawn vehicles were assessed to Customs duty at a preferential rate of 5 per cent. To qualify at this rate they

had to be imported assembled, i.e., the tyre and tube on the wheel and the tyres had to be specially marked as being for use on animal-drawn vehicles. The tyres were marked in such a way that any railway clerk with the most elementary knowledge of English would easily distinguish them. Moreover, it was most unusual for motor tyres and wheels to be despatched assembled.

Under the circumstances the Committee stated that they were opposed to the proposal and they recommended that the head " axles and wheels of country carts " should be amended so as to include wheels fitted with rubber tyres used on country carts.

Metal and Metal Ware.—In June 1936 the Indian Railway Conference Association forwarded for the views of the Committee a note on the classification of metals and metal ware submitted by the G. I. P. and B. B. & C. I. Railways which was to be considered at the meeting of the Commercial Committee to be held in July 1936.

The Committee in replying to the Indian Railway Conference Association stated that they understood that the main feature of the proposals was to re-classify all the items coming under Steel, Division B. making in the great majority of cases an increase of 10 per cent. In the time at their disposal, however, the Committee were not able to comment in detail on the effect of the proposals, but they drew attention to the comments made on the proposed enhancement of classification of certain commodities (see item in this Report under that head). The Committee stated that the same general arguments put forward then applied to the proposed re-classification of metals and metal ware, and the conclusion was the same, namely, the proposals would have an adverse effect and check any increase if, in fact, they did not result in a decrease in the volume of goods despatched by rail. Accordingly the Committee protested strongly against the proposals submitted by the G. I. P. and B. B. & C. I. Railways.

Tin Sheets and Bottles.—In May 1936 the Indian Railway Conference Association asked for the views of the Chamber on (1) a proposal to classify printed tin sheets used for making up empty cases or containers under 4 R.R. the same as advertising boards or sign boards; and (2) a proposal to provide a higher classification for ornamental bottles such as those used for perfumery and toilet requisites.

The Committee informed the Indian Railway Conference Association that they had no views to express on the first proposal, and they agreed that the proposal to put ornamental bottles in a higher class was reasonable, but they suggested a slight alteration in the proposed description of plain bottles, viz.,

"Bottles, glass, plain, without moulding other than plain lettering or trade marks and the like."

Polsons Flour in Tins.—In September 1936 the Indian Railway Conference Association asked for the views of the Chamber in connection with the classification of Polsons Wheat Flour in tins.

The principal Railways were originally consulted and they considered the commodity should be charged as under :—

Madras and Southern Mahratta Railway	As "Foods," patent, prepared from cereals or milk—6 R. R.
Bengal-Nagpur Railway	
Nizam's State Railway	As "Oilmanstores"—6 R. R.
B. B. & C. I. Railway	As "Flour"—2 R. R.
G. I. P. Railway	

The Committee informed the Indian Railway Conference Association that they considered that Polsons flour in tins should be charged at second class rates as Flour.

Glucose.—In September 1936 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to classify "Glucose powder" under 6 R.R. and to revise the existing entry "Glucose L. 2. R. R." to read "Glucose Liquid, L. 2 R.R."

The Committee informed the Railway Conference Association that from enquiries made they understood that Glucose was in 3 forms ; liquid, lumps (or solid) and powder. The first two forms were used for industrial purposes and powder for medicinal purposes. As powder glucose had a higher value, the Committee agreed with the proposal that it should be classified 6 R.R., but to provide for other kinds of glucose, the Committee felt that another entry should read " Glucose N.O.C. 2 R.R. " instead of " Glucose Liquid, L. 2 R.R." as proposed. The Committee saw no justification for attaching the L. condition to this commodity and they suggested that this condition should be removed ; under the L. condition the loading and unloading must be performed by consignors and consignees.

CO-ORDINATION OF RAILWAY FREIGHT RATES.

(*See Report* 1935, *page* 142.)

As recorded in the Chamber's Report for 1935 the following Resolution was adopted unanimously at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 17th December 1934 :—

" That, in the opinion of this Association, there is immediate need for a close examination of railway goods tariffs so as to obtain closer co-ordination between the various Railway systems, having regard to the needs of India as a whole, and primarily, to ensure that the development of the internal trade and export trade of the country are more advantageously served than at present. It is considered essential, when the necessary data have been collected, that non-official representatives of trade and commerce should be associated with Government in a full enquiry into the question."

It was also mentioned that a conference, at which the Associated Chambers were represented by Messrs. J. H. Blackwell and S. C. Lyttleton, was held between the Indian

Railway Conference Association and representatives of trade, commercial and agricultural interests at Delhi on the 29th July 1935 :—

At the annual general meeting of the Associated Chambers of Commerce held at Calcutta on the 16th December 1935 the following resolution was adopted unanimously :—

"That, in the opinion of this Association, the economic recovery of India is intimately bound up with the adjustment and co-ordination of Railway Goods Tariffs. This Association therefore calls upon Government to appoint a Special Committee, with full powers of investigation and with which Commerce, Industry and Agriculture should be associated, to enquire into the matter and, if found advisable, to appoint a permanent Railway Rates Tribunal for all India."

In May 1936 the Associated Chambers invited constituent Chambers to investigate the question of assisting the railways by furnishing them with information in regard to particular cases in which there was reason to believe that reduced railway freight rates would lead to increased traffic on the railways and emphasizing the view that it was only by concerted action and close attention to details that the Chambers were likely to attain their objective. The Committee were impressed with the necessity of all Chambers collaborating in an endeavour to assist the railways to regain a position of financial stability, and with a view to contributing to the elucidation of the problem all members were addressed on the subject and asked to reply to the following questionnaire, which was framed with the object of discovering to what extent the existing railway policy was adversely affecting the interests of (*a*) the railways themselves, and (*b*) commerce, industry and agriculture.

(1) Where do you obtain information as to rates ?

(2) What difficulties have you experienced in obtaining such information and what remedies for those difficulties can you suggest ?

(3) Can you quote examples to show that existing rates adversely affect the interests of

(*a*) The Railway Companies ?

(*b*) Commerce, industry or agriculture ?

(4) In what way do the existing classifications adversely affect the interests of

(*a*) The Railways ?

(*b*) Commerce, industry or agriculture ?

(5) How can the present Railway Tariff publications be simplified and improved ?

(6) Any other information you can give which you think would be helpful in this enquiry.

In replying to the Associated Chambers the Committee based their remarks on the replies received to the questionnaire which naturally reflected more particularly the views prevailing on the Bombay side of India. The Committee's criticisms and suggestions were mainly concerned with points of detail and fell roughly under the following heads :—

I. Information regarding rates ;

II. Effect of existing rates ;

III. Effect of existing classifications.

I. *Information regarding rates.*

Difficulties were encountered at the moment in obtaining quotations of firm rates for traffic passing over more than one railway. In quoting through rates the railway on which the traffic originated took no responsibility for the rate proportions of the foreign railways concerned. It had to refer to the other railways for confirmation of their rate proportions and considerable delay ensued. It was suggested that there should be set up at important selected centres central enquiry offices or goods rates bureaux equipped with telephones and manned by an efficient staff working under the direct control of the Indian Railway Conference Association and able to take responsibility and quote firm rates.

Special difficulties were reported in obtaining rate quotations at up-country stations. At important up-country stations a special staff should be employed to advise and interpret tariffs and should be in a position to quote firm rates for foreign railways as well as their own. Stricter supervision should be exercised over the smaller stations. At the moment complaints were not lacking of the indifference shown by railway staff up-country who failed to realise that the interests of the railways were bound up with those of the trading public.

The existing goods tariffs were somewhat unwieldy documents and required considerable experience to understand. It would be convenient if a combined pamphlet on the lines of that issued by the North Western Railway were made available. Such a pamphlet should contain freights for all destinations in India. If the information could not be given in a single pamphlet separate pamphlets might be issued for separate groups of commodities of interest to different groups of merchants. It was understood that the G. I. P. Railway issued summaries of foreign railway rate advices to their staff and it was suggested that these should be made available to the public.

Notice of alterations in rates was given by means of Rate Advices. It was suggested that the attention of the public should be drawn to these Rate Advices by means of announcements in the local press. On the suggestion of this Chamber the G. I. P. Railway had recently started doing this. Chambers of Commerce might co-operate by notifying their members that a Rate Advice had been issued and might be inspected at the offices of the Chamber or of the railway concerned. It was further suggested that ample notice of changes in rates should always be given, and it would be a very considerable advantage if trade interests could be consulted first and any reasonable objections that might be raised taken into consideration.

II. *Effect of existing rates.*

There was a disparity in the rates of full pressed cotton which in some cases was higher for the shorter distance as instanced below :—

EXISTING RATES TO BOMBAY.

From	*Miles.*	*Per maund.* Rs. a. p.
Nagpur	520	1 11 5
Amraoti	419	1 15 0
Badnera	413	1 14 6

This caused loss to the railways as it paid merchants to move cotton from places with higher rates by lorry. The lorry contractors had not been slow to take advantage of the high railway freight from Amraoti and were reported to be quoting Rs. 13 per candy for transport to Bombay as against Rs. 18-14-0 by rail—a saving of Rs. 5-14-0. Such cases showed that the railways were in danger of losing much traffic unless prompt action was taken to adjust their rates to the economic level of other forms of transport. It was suggested that the lower rate for the longer distance should be made applicable to the shorter distance by the application of the differential rule.

There was occasionally disparity in freight rates between two places not far apart which affected the interests of both the railways and commerce, inasmuch as business lost to the former meant freight lost to the latter. For example, though Ambernath was only 40 miles from Bombay the freight on sulphuric acid from Bombay to Indore was approximately 16 per cent. more by the B. B. & C. I. Railway than it was from Ambernath to Indore by the G. I. P. Railway. Moreover, Ambernath enjoyed the benefit of a special rate for quantities in excess of 120 maunds while the minimum for Bombay was 200 maunds.

Freight rates on certain low-priced materials were out of proportion to the value of the materials. A case in point was imitation vermilion which was roughly one-fifth to one-tenth the price of genuine vermilion ; yet the railways insisted on charging the same rate as for vermilion. The freight on pumice-stone was out of proportion to its value. The railways had themselves discovered a similar case in what was known, though incorrectly, as " mahogany wood " the traffic in which had been killed by the high rate. It was proposed to assimilate it to timber in general (Class I).

Motor car units destined for Northern India were frequently delivered to dealers' representatives in Bombay whence they were driven away by road, it being more economical to do this than to rail the units. The railways might capture this traffic by a reduction in freight to important centres in the north. For the last seven years the railways had not modified their rates to cater for the growing automobile traffic. The production of the automobile assembly plants in Bombay had been on the increase for some years past and should be an important consideration from the railways' point of view. Meanwhile imports of cars had been increasing and the price of cars had come down. There appeared to be a case for a reduction in rates on such easily handled goods as motor car tyres.

The recent increase in freight on sulphate of ammonia, though admittedly only a small one, was a retrograde step inasmuch as it was only adding to the cultivator's burden.

Consideration might be given to extending the list of commodities to which full wagon load rates were applicable where there was reason to believe that an increase in traffic would follow. Lubricating oils appeared to be a case in point. If practicable, a percentage reduction in freight for smalls might simplify the calculation of full wagon load rates.

Attention was drawn to the long delays involved in transit by goods train in India, e.g. the time taken for the journey from Bombay to Peshawar was sometimes longer

than the time taken for the journey from England to India. In these days of hustle the time factor assumed increasing importance. It was believed the Railway Board were alive to the necessity for speeding up transportation and of running lighter and faster trains.

It was obvious that the interests of the railways on the one hand and commerce, industry and agriculture on the other were interdependent. The incidence of railway freight to a distributing centre was usually the deciding factor in the marketability of any commodity. It followed therefore that the railway freight should bear a reasonable relation to the cost of the articles carried.

III. *Effect of existing classifications.*

The existing classifications were too elaborate and were difficult to interpret, e.g., different classifications existed for electrical switches and iron-clad switch gear, yet both performed similar functions and should have the same classification. It cost Rs. 2-15-11 per maund to send electrical switches from Bombay to Delhi and only Rs. 2-1-7 to send iron-clad switch gear from Bombay to Delhi. Unfilled batteries were classified as electrical appliances and fittings, including accumulators, batteries, etc. Yet extra freight was sometimes demanded at destination on the ground that the consignment should have been classed as motor car spare parts. The classification should be simplified so as to avoid the possibility of such different interpretations. As a basis for a scheme of simplification it was suggested that, so far as imported goods were concerned, the existing classification of the Import Tariff Schedule might be adopted.

The existing classification of goods was not uniform, e.g., cement in wagon loads was booked on various railways at different schedule rates and terminal charges. It was suggested that cement be classified at C/Q Schedule over all railways in India and that a uniform minimum terminal charge be levied on local and through bookings. Difficulties in calculating rates also arose from the wide maxima

and minima of the class rates. The extreme case was class 10 with a maximum of 1.87 pies per maund and a minimum of .166 pies per maund. Hence there was no means of checking the accuracy of rates when obtained. The task of calculating rates approximately would be greatly facilitated by the arrangement of a definite and fixed percentage relationship between railway risk and owner's risk rates.

The new classifications 2A, 2B, 2C, etc. should as soon as possible be merged into one sequence and the rates numbered serially from 1—16.

Among particular items which appeared to be classed too high were motor car spare parts at 6A.R.R. and 6 O.R. and oxygen at 10 R.R. and 9 O.R. In the interest of the agriculturist the Chamber had recently resisted a proposal to increase the class rate for wheels fitted with rubber tyres and tubes used on country carts. The proposed enhanced classification of beer in bottles amounted to 38 per cent. and would result in making the rate of freight on beer at owner's risk very nearly equal to the rate on wines and spirits at railway risk, a state of affairs for which there appeared no justification.

In replying to a circular from the Indian Railway Conference Association the Chamber drew attention to a number of articles on which the proposals to enhance the classification would have an adverse effect and would check any increase, if, in fact, they would not result in a decrease in the volume despatched by rail. A copy of the list of articles in question was forwarded to the Associated Chambers.

In September 1936 the Chamber was informed that a copy of the resolution adopted at the annual general meeting of the Associated Chambers in December 1935 was forwarded to the Railway Board who in reply stated that the question of the steps to be taken for the revision of Railways' Goods Tariffs was still under consideration, and that the views of

the Associated Chambers as recorded in their resolution would be given due consideration before a decision was arrived at.

The Railway Board added that a copy of the report of the discussion which preceded the adoption of the resolution had been forwarded to the Agents of principal Railways with a view to their taking such action as might be considered necessary on the points to which attention was drawn by the various speakers on the resolution in question.

RAILWAY RATES ON PIECEGOODS, TOBACCO AND KEROSENE OIL.

In November 1936 the Agent of the G. I. P. Railway informed the Chamber that the Railway Board had sanctioned enhancements in the maximum class rates chargeable for press-packed piecegoods, sugar, manufactured and unmanufactured tobacco and kerosene oil.

The Agent pointed out that with effect from the 1st May 1936 the number of classes in the General Classification of Goods was increased from ten to sixteen and that the enhanced class rates for the five commodities under consideration in all cases made use of the new class rates. The Agent added that the existing financial condition of Indian Railways was a matter for concern and so far as was possible railways were endeavouring to improve the position. Measures to reduce expenditure were under continuous examination no less than measures to increase revenue. The G. I. P. Railway was aware that in certain quarters the view was held that the best way to increase revenue was by a general reduction in rates, but the Railway believed, from examination and experience of traffic movements, that the proper course to pursue was to reduce or increase rates as particular circumstances warranted. Reductions in rates were continually being made and would continue to be effected where desirable. Similarly, certain enhancements in rates had already been

effected and others might be brought into force from time to time where investigation shewed that they could be justified.

The Agent mentioned that applying the above considerations to the five commodities which were under examination it might be stated that it had been felt for some years that an increase in rates was justifiable and necessary. The classification as it existed prior to 1st May 1936 contained no class into which these commodities could be transferred without involving very heavy increases in rates. As this defect had been removed, it was considered that the proposed increases which did not affect the whole of the traffic in these commodities, should be no longer delayed.

In conclusion, the Agent stated that the G. I. P. Railway desired to adopt the enhanced class rates which had been sanctioned by the Railway Board for these commodities but before notifying their adoption he desired to receive and give serious consideration to any observations the Chamber might offer.

In reply the Committee informed the Agent of the G. I. P. Railway that while they had previously objected on general grounds to enhancements proposed in respect of a large number of commodities they did not consider that they could reasonably object to the present proposals. The Committee suggested, however, that as a Committee of Enquiry was at the moment investigating the whole question of Railway working in India, the Railways should defer taking action until the recommendations of that Committee were known.

RAILWAY TERMINAL CHARGES.

In June 1936 the Associated Chambers of Commerce of India forwarded to this Chamber a copy of a letter that had been received from the Punjab Chamber of Commerce in which it was intimated that in December 1935 the North Western Railway, with effect from 1st April 1936

had increased their terminal charges by one pie in through booking and two pies in local booking. These increases though strongly opposed by the Punjab Chamber were brought into force. The Punjab Chamber understood that the increases were common to all railways in India. At a time when so much attention was being focussed on railway finances the Punjab Chamber regarded with alarm the tendency of railways generally to find the only remedy for falling revenues in wholesale increases in freights and other charges. Ostensibly this terminal charge was levied for the purpose of covering expenditure incurred by the railways in providing terminal facilities, such as sidings, wharves, depots, etc., which the N. W. Railway stated had become 2½ times as much as the income from terminal charges. The Punjab Chamber felt, however, that the statistics on which the railway based their arguments must of necessity be somewhat fictitious—largely a matter of allocations and estimates—and the figure of expenditure could, with very little difficulty, be adjusted in support of their contentions and the Punjab Chamber could see no real justification for these increases. The Punjab Chamber contended that although small in itself an enhancement in the charge of even 1 pie per maund developed into a comparatively heavy burden to be borne by traders who utilised the railways for transport of their goods, and the eventual result would be to drive even more surely than hitherto an increasing volume of traffic into the hands of the road transport concerns.

The Punjab Chamber therefore requested the Associated Chambers to protest to Government against the increase in railway terminal charges. The Associated Chambers enquired whether this Chamber was agreeable to such a protest being addressed to the Railway Board.

The Committee on making enquiries were informed that a change in the terminal charges made by one railway only affected other railways in so far as through traffic was concerned.

Terminals were considered to be of two kinds, namely, "local" and "through." "Local" terminals only related to charges on local traffic, i.e., between two stations both of which were situated on the railway concerned. "Through" terminals related solely to the portion of the through rate earned by the railway concerned on traffic interchanged between two railways. "Local" terminals were charged at both ends, that is, at the forwarding and receiving station, as a general rule. "Through" terminals of an individual railway were charged only at the receiving station in the case of inward traffic and at the despatching station in the case of outward traffic. There was no terminal, normally, charged at the junction station on traffic interchanged between two neighbouring railways.

The North Western Railway had notified an increase in both their "local" and "through" terminals. Their "local" terminals were no concern of any other railway. Their "through" terminals had to be adopted by all railways booking traffic to the N. W. R. or receiving it from the N. W. R. as an addition to the N. W. R.'s portion of the through rates only. For example, if traffic had been booked from a N. W. R. station to a station on the G. I. P., the increase in the total freight as a result of the N. W. R. terminal increase would be the addition of one pie per maund to the N. W. R. portion of the "through" freight. The G. I. P. portion of the freight was not affected.

The Committee understood that the increase in the terminals on the N. W. R. referred to traffic carried at the full class rates and at certain schedule rates. It did not refer to station-to-station rates.

After examining the subject in consultation with the Docks and Railways Sub-Committee, the Committee, in replying to the Associated Chambers expressed the opinion that the suggestion of the Punjab Chamber should not be supported.

The constituent Chambers had, at the moment, under consideration other and more important references from the railways in respect of enhancement of classification of goods, and in some cases higher freight rates. These were likely to affect most members of this and other Chambers very closely, and the Committee were not in favour of wasting ammunition by joining in an attack on the North Western Railway for increasing terminal charges on through traffic by one pie per maund.

The Chamber was subsequently informed that having regard to the replies received from the Bengal, Bombay, Karachi and Madras Chambers, the President of the Associated Chambers had decided that this question of terminal charges should be dealt with, if necessary, with the larger issues affecting railway rates policy which were at the moment under consideration.

PACKING CONDITIONS FOR PIECEGOODS ON RAILWAYS.

(*See Reports*, 1925, *Vol. I*, *page* 178; 1931, *Vol. I*, *page* 157; 1932, *page* 189.)

In June 1936 the Indian Railway Conference Association asked for the views of the Chamber on a proposal that had been put forward by the East Indian Railway for the amendment of the packing conditions for piecegoods carried by rail. The relative entries in the Indian Railway Conference Association Goods Tariff that bore on this question read as under :—

		R.R.	O.R.
Piecegoods, cotton, woollen or artificial silk, in bales, press-packed and bound with iron bands or steel wire or packed in boxes or cases	P/20	4A	4
Piecegoods, cotton, woollen or artificial silk, not press-packed or not packed in boxes or cases.	P/20	6A	6

The East Indian Railway interpreted the term "piecegoods, press-packed," for purposes of determining the rate applicable, to mean a bale of piecegoods that was :— (*i*) bound with iron bands or steel wire, and (*ii*) was tightly compressed so as to form a solid compact package, the contents of which could not be shifted without the removal of the bindings used for sustaining the pressure.

All the railways did not conform to this interpretation but some of them interpreted the term "press-packed" as meaning "mill packed" and treated all bazaar packed goods as non-press packed.

In the circumstances it was suggested that a minimum weight per cubic foot might be laid down and this minimum weight might be determined after investigation by the various railways and consultation of trade interests.

After consulting the Import Sub-Committee the Committee informed the Indian Railway Conference Association that they saw no reason for altering the existing packing conditions for bales of piecegoods. In their opinion it was impracticable to define the term "press-packed" by laying down a minimum weight per cubic foot. Furthermore, the Committee felt that it was clearly desirable that all railways should interpret the packing conditions alike.

The Committee stated that in their opinion the railways that did so were wrong in interpreting press-packed to mean mill packed.. The definition of piecegoods press-packed adopted by the East Indian Railway appeared to the Committee to be adequate and should present no difficulties.

SPECIAL REBATE OF RAILWAY FREIGHT ON EXPORTED COAL.

At the annual meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1935, the following resolution was moved by the Bengal Chamber of Commerce and unanimously adopted :—

"With a view to increasing the export of Indian coal to foreign ports and at the same time providing the serving railways with addi-

tional revenue from the consequential increase in coal traffic, this Association recommends the Railway Board to give their serious consideration, in the best interests of the coal trade and of the railways in India, to the question of granting a special rebate on coal for export out of India."

The terms of the resolution and the report of the discussion which preceded its adoption were forwarded to the Government of India, Railway Department, Railway Board, from whom a reply was received by the Associated Chambers in May 1936 to the effect that the matter was under consideration.

TRAVELLING WITHOUT TICKETS ON RAILWAYS.

Proposed Amendment of the Indian Railways Act, 1890.

In March 1936, the European Group in the Indian Central Legislature asked for an expression of the Committee's views on the provisions of a Bill the object of which was to permit of more effective and deterrent action being taken when persons were found travelling by railways without proper tickets. It was estimated that ticketless travelling caused a loss in revenue to the railways of approximately Rs. 50 lakhs annually.

At the moment action could be taken under sections 112 and 113 of the Railway Act. The former section related to cases in which there was intent to defraud a railway and under it the onus of proving intent to defraud rested on the railway staff, the discharge of which was not always practicable. It was therefore proposed that the onus of proving that there was no intent to defraud should be placed on the person found travelling without a proper ticket; and the amending Bill also provided that in such cases a sentence of imprisonment might be inflicted instead of a fine.

Section 113 of the Act covered cases in which there was no intent to defraud; under it a passenger travelling without proper tickets was liable to pay, in addition to the fare due, an excess charge equal to the amount of the fare but not exceeding a certain maximum which in the case of a third class passenger was limited to one rupee when he was detected before he had notified his liability and two annas otherwise. Under the existing law a passenger who declined to pay the amount demanded could only be asked to give his name and address. If the particulars given were disbelieved arrangements had to be made to hand the man over to the police to be placed before a magistrate In many cases such passengers were found to have no assets and were eventually discharged. Where a distress warrant was issued against any persons, the results were usually incommensurate with the time, trouble and expense involved in Court proceedings as the amount payable was frequently not realised. To deal effectively with such cases it was necessary that railway servants should be empowered to arrest such persons as refused to pay the charges due if there was reason to believe that it would not be possible to get them to appear before a magistrate without undue delay, trouble or expense. Provision for this had been made in the proposed amendment to section 131 of the Act.

The Committee informed the European Group that they approved of the Bill and its provisions. The amending Bill was introduced in the Legislative Assembly on the 31st August 1936 and after considerable discussion it was resolved to circulate the Bill for the purpose of eliciting opinion thereon by the 31st December 1936.

RAILWAY STANDARD CONDITIONS OF CONTRACT.

(*See Reports*, 1932, *page* 190; 1933, *page* 191.)

In September 1936 the Associated Chambers of Commerce of India asked for the views of the Committee on a letter from the Chief Controller of Standardisation,

Government of India, Railway Department, with regard to the following proposed amendments to the existing Indian Railway Standard Specifications Nos. A1-34, A2-34 and A3-34, relating to Conditions of Contract for Contracts for Stores :—

I. R. S. Specification No. A1-34.

(*i*) *Clause* 6, *lines* 9 *and* 10.—

For " the Purchaser shall be entitled to purchase such consignment elsewhere on the account and at the risk of the Contractor."

Read " the Purchaser shall be entitled to purchase such consignment or if not available the best and nearest available substitutes therefor elsewhere on the account and at the risk of the Contractor."

(*ii*) *Clause* 19—

For the existing second sub-para, *substitute* .—

" In cases in which a contract is placed for delivery f.o.r. station of despatch, stores that have been despatched by rail and rejected after arrival at destination may be taken back by the supplier either at the station where they were rejected or at the station from which they were sent. In either of these cases the supplier shall pay the carriage charges on the rejected consignments at public tariff rates from the station of despatch to the station where they were rejected. If the supplier elects to take back the goods at the station from which they were despatched the goods shall be booked back to him freight to pay at public tariff rates and at Owner's risk and the property in goods shall not pass from the Contractor unless and until accepted by the Purchaser after inspection."

I. R. S. Specifications Nos. A2-34 and A3-34.

(*i*) *Clause* 5, *lines* 14 *to* 16.—

For " the Purchaser shall be entitled to purchase elsewhere on the account and at the risk of the Contractor the Stores or any consignment thereof which the Contractor has failed to deliver or despatch."

Read " the Purchaser shall be entitled to purchase elsewhere on the account and at the risk of the Contractor the Stores or any consignment thereof which the Contractor has failed to deliver or despatch or not available the best and nearest available substitute therefor."

(*ii*) *Clause* 18.—

For the existing second sub-para, *substitute* :—

"In cases in which a contract is placed for delivery f.o.r. station of despatch, stores that have been despatched by rail and rejected after arrival at destination may be taken back by the supplier either at the station where they were rejected or at the station from which they were sent. In either of those cases, the supplier shall pay the carriage charges on the rejected consignments at public tariff rates from the station of despatch to the station where they were rejected. If the supplier elect to take back the goods at the station from which they were despatched, the goods shall be booked back to him freight to pay at public tariff rates and at Owner's risk and the property in goods shall not pass from the Contractor unless and until accepted by the Purchaser after inspection."

The Committee informed the Associated Chambers that the proposed amendments appeared to them to be unobjectionable.

RAILWAY RECEIPTS AS NEGOTIABLE INSTRUMENTS.

(*See Reports*, 1886, *pages* 63, 452 ; 1887, *pages* 25, 79 ; 1888, *pages* 24, 102 ; 1889, *pages* 43, 261 ; 1890, *pages* 177, 429 ; 1904, *pages* 68, 436 ; 1906, *page* 53 ; 1907, *page* 38 ; 1908, *pages* 41, 265 ; 1932, *page* 189 ; 1933, *page* 189 ; *and* 1935, *page* 145.)

In the Chamber's Report for 1935 reference was made to a letter from the Railway Board to all Local Governments explaining why the Government of India were unable to accept the recommendation of the Indian Central Banking Enquiry Committee that railway receipts should be negotiable to the same extent as a negotiable instrument. In this connection a circular reference was received from the Associated Chambers of Commerce of India in January 1936 inviting comments on the following note which one of the Chambers had received from the London Office of a Bank member :—

"The Railway Board's reply falls under two headings :—

(1) The standing of a Railway Receipt.

(2) The placing of a Railway Receipt on the same footing as a Negotiable Instrument.

As regards (1), the Railway Board state quite correctly that a Railway Receipt is on the same footing as a Bill of Lading " so far as the relations between the owners of the goods and the railways are concerned," but they make no mention of the vital difference which we are all anxious to have regularised and that is that the ownership of the goods in a Railway Receipt is not transferable by endorsement as it is in the case of a Bill of Lading. The long rigmarole regarding Negotiable Instruments is entirely beside the point as anyone should know that a Bill of Lading is not a Negotiable Instrument in the same way as a Cheque or Bill of Exchange.

The whole object of the original reference to Government was to have the ownership of the goods represented by a Railway Receipt made transferable by endorsement. It might be pointed out that the value of the goods is not mentioned on a Bill of Lading nor did anyone suggest that it should be mentioned on a Railway Receipt. Perhaps it would be advisable for these matters to be again taken up with the Railway Board."

With a view, if possible, to setting at rest a question which has agitated commercial opinion for the past fifty years the Chamber decided to take Counsel's opinion as to the legal status of a Railway Receipt; particularly whether such railway receipts stood in the same position as Bills of Lading, legally constituting them negotiable instruments, and, if they did not, whether it was advisable or practicable that a railway receipt should by legislation receive the advantages that appertained to the status of a Bill of Lading. The case was prepared by the Chamber's solicitors and submitted to the Advocate-General, Mr. Kenneth McI. Kemp, for his opinion.

Mr. Kemp submitted a lengthy opinion on the subject which confirmed the view that Railway Receipts were not on the same footing as Bills of Lading in that possession of goods did not pass by endorsement of the Railway Receipt. In view of this opinion and of the fact that Chambers of Commerce were not unanimous on the subject the Committee decided to take no further action in the matter.

For purposes of record the full text of Mr. Kemp's opinion is printed in the Appendices to this Report.

Towards the end of September 1936 a member informed the Committee that their Head Office could not follow why the Committee decided to take no further action in the matter. It appeared to them that as the first application had been badly put up and turned down on a misinterpretation, the matter should be further pursued for the general benefit of the mercantile community which in their opinion had everything to gain and nothing to lose by having a Railway Receipt put on the same footing as a Bill of Lading.

The Committee in reply explained that their reason for taking no further action on this matter was that it appeared to be a waste of time and trouble, as a number of constituent Chambers were opposed to the proposal. The railways were also against it and as opinion among the Associated Chambers was almost equally divided this Chamber would have no hope of carrying its point. In the circumstances the Committee were of opinion that no further action could usefully be taken in the matter until commercial opinion in this country was substantially unanimous.

TRANSPORT OF ACIDS BY RAIL.

In June 1936 a member asked for the support of the Chamber to a representation that had been addressed to the Indian Railway Conference Association drawing attention to the difficulty experienced in regard to the transport of Hydrochloric and Sulphuric Acids manufactured by them.

The member pointed out that the regulations laid down that hydrochloric acid might be packed in carboys of 12 gallon capacity, the gross weight not exceeding two maunds, and sulphuric acid in carboys of 12 gallon capacity, the gross weight not exceeding 2½ maunds.

The member stated that their carboys while holding only 12 gallons exceeded the gross weight permitted according to the following details :—

Hydrochloric Acid 12 gallons	..	..139.2 lbs.
Tare weight of a carboy	..	.. 40 ,,
		say 180 lbs. = (2 maunds 8 seers.)
Sulphuric Acid 12 gallons ..	..	..220.8 lbs.
Tare weight of a carboy	..	.. 40 ,,
		say 261 lbs. = (3 maunds 7 seers.)

The member suggested that from the above it was obvious that when framing the regulations insufficient allowance had been made for the weight of a carboy and they requested the Association to amend the regulations so that while retaining the maximum capacity of carboys at 12 gallons the gross weight should be increased to 2 maunds 8 seers and 3 maunds 7 seers for hydrochloric and sulphuric acids respectively.

The Committee in reply informed the member that they understood that the general packing and transport conditions of dangerous goods over all railways in India was laid down by the Chief Inspector of Explosives. The Committee suggested, therefore, that the matter should be referred to that officer. The Committee learnt later that the Chief Inspector of Explosives had approved of the above suggestions and had forwarded the matter to the Indian Railway Conference Association for confirmation.

UP-COUNTRY SURVEYS.

Claims for Shortages against Railways.

In June 1936 a member informed the Chamber that most insurance companies received a number of fraudulent shortage claims on consignments to the interior of India

of goods which had been conveyed by railways. They suggested that the only possible remedy for such malpractices was for the railway companies to permit consignments which arrived in a doubtful condition to be surveyed by the insurance companies' representatives at the railway station on or before delivery. At the moment this was not allowed by the railways who apparently demanded clean delivery receipts before handing over the goods. As a result, it was alleged, consignees took the goods to their godowns, pilfered part, renailed the case as before and then claimed shortage as due to theft before the consignment reached their godown.

The Committee addressed the Associated Chambers of Commerce of India in the matter and stated that the above facts were confirmed by other members of the Chamber and reports from other centres indicated that the trouble was by no means confined to the Bombay area. The position was a thoroughly unsatisfactory one, and most serious to insurance interests as the claims made were considerable and, so long as the railways maintained their present attitude, no effective check could be taken.

The proposal to permit surveys to be held before goods were removed from railway premises was, in the opinion of the Committee, a reasonable one and they could think of no other way of putting a stop to fraudulent claims such as those complained of. The granting of such permission need not imply any liability on the part of the railways for any loss ascertained any more than it did in respect of steamers when surveys were held in the docks.

The Committee considered this was a matter which should be taken up with the railways in the interests not only of insurance companies but of business firms generally. It was a matter affecting all railways, and if the President concurred with the above view, the Committee suggested that he might commend the proposal to the constituent Chambers for their support.

The Committee also took the opportunity of discussing the matter with the Chief Commissioner and Financial Commissioner of Railways when they visited the Chamber on the 6th August 1936. It was suggested that the Chamber should put up definite proposals for machinery to meet the wishes of the insurance companies and it was agreed that any arrangement arrived at would involve the permission to open and weigh cases on station premises. This discussion was followed up by a further letter to the Associated Chambers, a copy of which was sent to the Railway Board pointing out that if the railways granted permission for surveys to be held at the station on arrival, no difficulties, so far as the railways were concerned, would arise, as the question of a survey would be entirely the responsibility of the consignees. The question of demurrage was not likely to enter into consideration as the consignees, being responsible for such demurrage, would naturally endeavour to clear the merchandise as soon as possible. If permission to hold the survey was granted, the consignee on noticing that his goods were damaged, would immediately call a surveyor to note the condition before he removed them; if he did not do so, then the terms of his policy would be broken and no claim would result. Therefore to protect himself against the terms of his policy as well as demurrage charges, he would see that the surveyor was there within the free period granted. In the opinion of the Committee the railways would have no special machinery to put into operation beyond granting permission to open and weigh cases on station premises. For the latter purpose the surveyor might occasionally require permission to use the railway companies' weighing machines and provision should be made for this contingency.

It might be that railways apprehended that if permission for surveys was granted claims would be immediately preferred against them in the event of damage. The Committee were of opinion that such would not be the case unless it could be definitely proved that the railway was responsible. In this respect the position would remain

as it was at the moment viz., should insurance companies be able to prove the railways' responsibility they would naturally make a claim upon it in exactly the same circumstances as would arise with a shipping company.

The Associated Chambers of Commerce of India invited the opinion of constituent Chambers on the proposals.

As a result of this reference the Associated Chambers again circulated constituent Chambers drawing particular attention to the opinions expressed by the Bengal, Madras and the Punjab Chambers and invited views as to what further action should be taken.

The Bengal Chamber expressed the opinion that the whole question should be referred to the Indian Railway Conference Association with a view to some definite understanding being reached in the matter which would apply to all railways in India, if this was at all possible.

The Madras Chamber pointed out that the two railways in that Presidency with which that Chamber was mostly concerned, had never had a request for surveys to be held before goods were removed from railways premises.

The Punjab Chamber suggested that the insurance companies' difficulty and the railways' desire to eliminate frivolous claims would both be met by laying down that before a survey was permitted there should be payable to the railways a fee, refundable to the party if the survey established the fact that there had been pilferage or damage, and to be forfeited if the claim turned out to be frivolous.

The Committee in replying to the Associated Chambers offered the following comments on the views expressed by the above-mentioned Chambers.

The Bengal Chamber supported this Chamber but suggested, as stated above that the question should be referred to the Indian Railway Conference Association. The Committee felt that there would be no objection to that

procedure if by that means uniformity of practice amongst railways was likely to be achieved. At the moment the practice of the East Indian and Bengal-Nagpur Railways appeared to differ from that of other railways. That the railways generally did not allow surveys to be held on railway premises was borne out by Sir Guthrie Russell who at his meeting with the Committee of this Chamber mentioned that there were several difficulties. The Committee were of opinion that the question should in the first instance be submitted to the Railway Board in order that they might review the position and thereafter, if necessary, refer the matter to the Indian Railway Conference Association.

The Committee did not question the contention of the East Indian and Bengal-Nagpur Railways that the transaction was between the railways and the holder of the railway receipt. All that the Insurance companies required was that the holder of the railway receipt could ask for a survey to be held on station premises before delivery was taken. It was no use insurance companies clausing their policies "railway station survey clause" if the railways refused to allow such surveys to be held and demanded a clean delivery receipt.

The difficulty did not seem to have arisen on the two railways serving Madras but it was noted that the Madras Chamber was willing to support this Chamber in principle.

The Punjab Chamber appeared rather to miss the point. Unless the survey was carried out by a railway official, the fee was not earned by and should not be payable to the railway. It was a universal custom for consignees to pay survey fees to whoever carried out the survey. Such fees were refunded by the insurance company in the event of a claim being established. Consequently frivolous claims, in which the consignees stood to lose the fee, were not likely to be numerous. Insurance companies were only asking for the same facilities as were granted by other common carriers such as steamship companies.

The Committee briefly recapitulated the facilities required by insurance companies from the railways.

(*a*) Permission for a survey to be held on station premises prior to delivery.

(*b*) That at small wayside stations, where the services of a surveyor were not available, the Station Master be allowed to act, when requested, as surveyor.

(*c*) The use, when required, in the case of either (*a*) or (*b*) above, of the station weighing machine.

At the moment railways accepted goods in two ways :—

(*a*) Owner's risk.

(*b*) Railway risk.

The latter was accepted at a higher rate of freight, which in itself was tantamount to an insurance premium. If the goods were accepted as per (*b*) and the goods arrived damaged the consignee was allowed to claim for such damage after proving his loss. If accepted as per (*a*) the railways refused survey facilities and accepted no responsibility. They appeared to fear that if permission to survey was granted, claims would be made on them ; such would not be the case unless the cause was negligence on their part, when irrespective of the manner in which the goods were booked, the railways were liable as common carriers.

In conclusion, the Committee requested that since all Chambers had in effect signified their willingness to support the Bombay Chamber in this matter, the President would submit it for the favourable consideration of the Railway Board.

ROADS ON THE BACK BAY RECLAMATION.

In January 1936 the Western India Automobile Association forwarded to the Chamber a copy of a letter that the Association had addressed to the Government of Bombay urging strongly that the proposals in respect of roads on the Back Bay Reclamation Scheme should be revised so as to ensure a minimum of 60 ft. roads with adequate parking grounds.

In informing the Government of Bombay that they were in entire agreement with the suggestions of the Western India Automobile Association the Committee drew attention to the fact that the buildings that were being erected on the Reclamation facing the Oval had little or no garden space between them and the road. The Committee expressed the opinion that one of the best methods of creating a reserve of road width for the future would be to impose building regulations which would provide that a reasonable garden space be left in the original layout between buildings and roads in residential areas.

In February 1936 the Government of Bombay forwarded to the Chamber a copy of a press note that had been issued on the subject of certain alterations in the layout plan of Blocks Nos. I and II of the Back Bay Reclamation Scheme. The Committee considered the press note in consultation with a special Sub-Committee and also took the opportunity of considering the layout scheme as a whole, with particular reference to the inadequacy of the proposed new roads. In addressing the Government of Bombay on the subject the Committee put forward the following points for the consideration of Government :—

(1) It was understood that the new Marine Drive was to be 135 feet wide from the sea wall. The Committee considered that, if at all possible, it was very desirable that the width should be increased to not less than 145 feet which might advantageously be divided into carriage ways, service roads, pavements, etc., as under :—

Pavement adjoining sea face	35	feet.
Parking space	10	,,
Carriage way	30	,,
Dividing line	5	,,
Carriage way	30	,,
Service road	20	,,
Pavement	15	,,
	145	feet.

The Committee, however, submitted for consideration an alternative sub-division as follows if it was not found possible to increase the width of 135 feet :—

Pavement adjoining sea face	35	feet.
Parking space	15	,,
Carriage way	25	,,
Dividing line	5	,,
Carriage way	25	,,
Service road	20	,,
Pavement	10	,,
	135	feet.

(2) The Committee considered it of very great importance that in order to prevent traffic congestion on the new roads in the Reclamation it should be made compulsory for the owners of buildings to provide in, or adjacent to, residential buildings not less than one garage per flat. The Committee were somewhat concerned to note that in respect of the new buildings in course of erection on the west side of Queen's Road facing the Oval, no such provision appeared to have been made and they were of opinion that traffic congestion on this portion of Queen's Road would inevitably result when the buildings were in occupation. The Apollo Reclamation had already demonstrated the congestion that was likely to be caused by the parking of vehicles on 50 feet roads and, in the opinion of the Committee, it was essential that steps be taken to avoid this happening on any of the new roads in the Reclamation. The Committee pointed out that the parking of cars on roads could not reasonably be prohibited unless there was some alternative accommodation available.

(3) The Committee suggested that Government might give careful consideration to the possibility of garages being built in the 40 feet spaces provided between the backs of buildings.

(4) In the Press Note dated the 5th February it was announced that the layout of Back Bay was to be altered in respect of Plot No. 201 opposite Churchgate Station inasmuch as Government had decided that this plot, originally allocated for purposes of a motor car park, should be released for building purposes. The Committee urged that any prospective lessee of this plot should be required to provide a suitable service road for the parking of vehicles whose owners were visiting the building which would occupy the space. If this were not done it was feared that congestion at this particular point would be inevitable.

In this connection the Committee pointed out that they were strongly of the opinion that any alterations that had to be made in the layout should be made only after reference to the Standing Advisory Committee of the Back Bay Reclamation Scheme and with due regard to the layout as a whole and not merely to meet the requirements of particular purchasers.

(5) The Committee enquired if it was proposed to alter the Municipal by-laws in regard to the permitted heights of buildings on the Reclamation and in particular with reference to buildings actually facing the sea front. They understood that in the proposed layout Municipal building regulations had been complied with. These regulations prescribed the minimum light and air spaces to be left between buildings and the heights of buildings relative to the roads which they faced. The Committee considered that compliance with these minimum restrictions was insufficient to ensure amenities and a layout worthy of a scheme of this kind and importance.

(6) The Committee observed that there were two tentative proposals for the alignment of a broad-gauge construction railway line to be used in the future when required in connection with the possible completion of the reclamation of Blocks Nos. III to VII. The first proposal entailed railway lines being laid along the area to be

occupied by the new Marine Drive and the second proposal entailed a railway line crossing Queen's Road by Churchgate Station and running along the side of the Oval. In the opinion of the Committee both these proposals were undesirable, and they suggested that Government might give consideration to the possibility of the railway being carried on a trestle or gantry on the outside face of the sea wall. One advantage of this proposal appeared to be that the trestle or gantry need not be constructed until the railway was required which might well be a question of several years hence.

In a Press Note issued on the 6th May 1936 the Government of Bombay notified for general information that acting on the recommendations of the Standing Advisory and Traffic Committees for the Back Bay Reclamation Scheme recorded at a joint meeting of the Committees held on the 30th March 1936, they had decided that—

(*a*) the overall width of the Marine Drive should be 140 feet instead of 135 feet as previously announced, and

(*b*) in general, all building plots in the Back Bay Reclamation area should have minimum open spaces 20 feet wide on all four sides, i.e., in general the buildings to be constructed in future would be at least 40 feet apart.

In a further Press Note dated 10th October 1936 the Government of Bombay notified that as the result of the further recommendations made by the Standing Advisory and Traffic Committees for the Back Bay Reclamation Scheme Government had decided that—

(*a*) certain plots in the Back Bay Reclamation area should be set apart for the definite purpose of parking motor cars and/or the construction of garages ;

(*b*) the width of the minimum open spaces to be left on the Southern and Western boundaries of plot No. 201 should be 30 feet instead of 20 feet as previously announced, these increased open spaces to be used partly for the

purpose of providing garage accommodation and partly as a service road ; and that the building to be erected on this plot should, in addition, have a minimum open space, 20 feet wide, along the curved frontage of the plot ; and

(c) in the cases of corner plots which had two frontages —one on a commercial road and the other on a residential road—shop fronts should be allowed only on the frontages of the plots on commercial roads.

TOWN PLANNING COMMITTEE FOR BOMBAY.

In August 1936 the European Association, Bombay Branch, suggested to the Government of Bombay that a Town Planning Committee should be formed in Bombay for the purpose of co-ordinating the interests of the various landlords in Bombay, e.g., the Government of India, the Government of Bombay, the Bombay Municipality, the Bombay Port Trust and others, and the interests of the general public.

In supporting the suggestion the Committee informed the Government of Bombay that what they had in view was an advisory body representative both of the public and of all bodies concerned in the disposal of land, which would review and report on all important schemes of building and city development, but by no means duplicate the task already performed by the Municipality of approving individual buildings. It appeared to the Committee that with the merging of the Improvement Trust in the Municipal Corporation such a body was more than ever desirable, and it would be in accord with the practice of up-to-date cities in other parts of the world. The Committee added that should the suggestion for a Town Planning Committee meet with Government's approval they would be prepared to submit detailed views as to its composition.

JOINT TOWN PLANNING COMMITTEE.

In the previous item a reference is made to a proposal made in August 1936 for the formation of a

Town Planning Committee for Bombay. Matters were, however, brought to a head early in October 1936 when public attention was focussed on the plans for the layout of the Colaba Railway Land and the Queen's Road Marine Lines Estate areas and criticisms were freely expressed in the Press and elsewhere. The Committee felt that it was highly desirable that the views of the various unofficial public bodies interested should be co-ordinated with the object, if possible, of arriving at agreed recommendations for submission to Government. They at once invited the following bodies to nominate a representative each to serve on a Committee which was subsequently known as the Joint Town Planning Committee :—

The Bombay Chamber of Commerce ;
The Indian Merchants' Chamber ;
The European Association (Bombay Branch) ;
The Western India Automobile Association ;
The Indian Roads and Transport Development Association, Ltd. ;
The Safety First Association ; and
The Indian Institute of Architects.

Sir John Abercrombie was nominated as this Chamber's representative, and he was also elected Chairman of the Joint Town Planning Committee. All the other bodies who were invited also nominated representatives.

Several meetings were held by the Joint Committee and they also interviewed certain Government officials and the City Engineer of the Bombay Municipality in regard to the layout of the two plots referred to above.

CODE CABLE EXPENDITURE.

(*See Reports*, 1933, *page* 231 ; 1934, *page* 195 ; 1935, *page* 159.)

Towards the end of 1935 the Associated Chambers of Commerce of India asked this Chamber to assist the International Chamber of Commerce in collecting statistics of

cable expenditure with a view to obtaining information essential to the defence of cable users' interests at the International Communications Conference to be held in Cairo at the beginning of 1938. Members of the Chamber were circularised accordingly.

At the same time the opinion of members was obtained in regard to two proposals which the International Chamber of Commerce anticipated would be brought forward for discussion at the ensuing International Communications Conference in 1938, viz: —

(1) The proposed unification of Code and Plain Language Rates;

and (2) The proposed suppression of Deferred (L.C.) Telegrams.

In regard to the first of the above proposals all the members of this Chamber who had replied were strongly opposed to it, mainly on the ground that it would increase unduly the all round cost of cables.

In regard to the second proposal such members as would be affected by it considered it a retrograde step as Deferred (L.C.) Telegrams formed a useful intermediary between ordinary cables and the Air Mail.

In informing the Associated Chambers of Commerce of India to this effect the Committee expressed a hope that, if the other constituent Chambers agreed, the President of the Associated Chambers would take such steps as he might deem necessary to bring to the notice of the authorities concerned the opposition of the Chambers to both the above proposals.

The Associated Chambers subsequently addressed the Director-General of Posts and Telegraphs on the subject and pointed out that the first proposal aimed at the establishment of a uniform rate for plain language and code telegrams and although no definite rate had been suggested, there was the obvious danger for the code user that any

uniform rate chosen might be higher than the existing rate for code telegrams, thus increasing instead of reducing the all round cost of the telegraph service. The second proposal was for the suppression of the category of Deferred Telegrams (L.C.) the charge for which was 50 per cent. of the ordinary full rate.

These two proposals had been referred to the constituent Chambers in the membership of the Association who were unanimously opposed to both proposals and to any alteration in the existing telegraph arrangements which were working well and should therefore not be disturbed. As already stated, it was apprehended by the Chambers that the proposed unification of code and plain language rates would result in an increase in cabling costs, while the abolition of Deferred telegrams was considered a retrograde step in view of the fact that this class of message formed a useful intermediary between ordinary cables and the air mail. The Association therefore requested that the representatives of the Government of India at the Conference be directed, on behalf of India, to oppose strenuously these two proposals and any others of a similar nature which involved additional expense to users.

At the Madrid Telegraph Conference in 1932, the 10-letter code word was abolished, and the rate introduced for the 5-letter code was fixed at 60 per cent. of the previous 10-letter rate which involved the business community in considerable expense and increased cable costs; and it had been suggested that the Government of India might consider the question of tabling a resolution at the forthcoming Conference to rescind the above decision arrived at in 1932. This one resolution on the agenda favourable to users of the telegraphs, as compared with the rest of the resolutions which would probably be against their interests, might, in the opinion of the Chambers, prove a useful bargaining counter, and the Chambers accordingly commended this suggestion to the serious consideration of the Government of India.

At the annual general meeting of the Associated Chambers of Commerce of India held in Calcutta in December 1936 the following resolution, proposed by the Madras Chamber and seconded by the Bombay Chamber, was adopted unanimously :—

"This Association views with concern the proposals to unify code and plain language telegrams and to abolish deferred message rates which certain Governments intend to make at the International Telegraph Conference at Cairo, in 1938 and strongly recommends the Government of India to oppose them.

This Association urges the re-establishment of a four word minimum for code messages and recommends that a new form of letter cablegram, to be charged for at a very low rate per 100 words, be introduced."

INLAND TELEGRAMS.

Five-Letter Code Words.

(*See Reports*, 1934, *page* 195; 1935, *page* 160.)

In February 1936 the Chamber was informed that the Associated Chambers of Commerce of India had addressed the Director-General of Posts and Telegraphs strongly deprecating any further attempt by the Indian Posts and Telegraphs Department to introduce into the Indian inland telegraph service a system of five-letter code telegrams, which had evoked spontaneous opposition from the influential bodies interested, unless and until the charge for the five-letter code was reduced to one half of that payable at the moment for the existing ten-letter code word.

The Committee informally discussed the question with the Hon'ble Sir Frank Noyce, Member in charge of the Department of Industries and Labour, when he visited the Chamber on the 4th August 1936. Sir Frank Noyce suggested that the fear that the proposal would result in increased costs to users was not altogether justified, as most code telegrams would be within the limit of eight words. In response to a suggestion made by Sir Frank Noyce all members of the Chamber were circularised with

a view to ascertaining the increased expenditure which would be involved by the introduction of the five-letter code system. Information was sought under the three heads of (*a*) Total number of inland telegrams despatched during the twelve months ended 30th June 1936; (*b*) Number of telegrams of eight words or less; (*c*) Estimated additional cost. The number of members who replied to the circular was 64 of whom 38 completed the return. Of these all except one member, who only despatched three telegrams in the course of the year, estimated that they would incur additional expenditure on code telegrams. A number of members expressed strong disapproval of the proposal not only on their own account but because of losses which their constituents would suffer and the effect on trade generally. In particular, the increased cost of express telegrams under the proposed system was regarded as exorbitant. Furthermore, the trading public would be put to heavy expense in preparing new codes, while the number of mutilations in the text of telegrams would be increased by the removal of vowel restrictions in the formation of code words.

In communicating the above information to the Government of India the Committee stated that it appeared that the suggestion made by Sir Frank Noyce that the fear of increased cost was not altogether justified as most code telegrams would be within the limit of eight words, was based on the fact that during the cotton season a very large number of telegrams were sent from Bombay to inland stations giving fluctuations in the Bombay hedge contract rates. Admittedly these telegrams were within the limit of eight words, but most of them were not coded at all and were sent in plain language and figures. It would therefore be entirely misleading to take these telegrams as a basis for adopting the five-letter code in place of the existing ten-letter code, because, a very large percentage of all other inland telegrams exceeded the limit of eight words.

It had been estimated by one member despatching a large number of telegrams that, while on the ten-letter code basis the proportion of telegrams of eight words or less was about 10 per cent. of the total number despatched, the proportion of such telegrams would be from 12 to 14 per cent. only if the five-letter code were in force. It was clear, therefore, that if the proposals of the Director-General of Posts and Telegraphs were adopted the trade would have to incur considerable additional charges on code telegrams. Such a change would undoubtedly act as a restriction on trade which would be particularly unfortunate at a time when there were signs of trade reviving after a prolonged period of depression.

In view of the clear results obtained from the investigation carried out by this Chamber and of the other objections adumbrated above, the Committee expressed the earnest hope that the Government of India might be moved to reject the proposals for introducing five-letter codes, unless the charge per word was reduced to one half of that payable at the moment for the existing ten-letter code word.

The Committee at first proposed to move a resolution at the annual meeting of the Associated Chambers in December 1936 but were informed that the Hon'ble Sir Frank Noyce had given an undertaking that the proposal to introduce five-letter code words in inland telegrams would be dropped for the time being. The Committee accordingly withdrew their resolution.

INDIAN AIRCRAFT (SANITARY CONTROL) RULES, 1936.

In August 1936 the Department of Education, Health and Lands of the Government of India published a draft of certain rules which it was proposed to make in exercise

of the powers conferred by section 8A of the Indian Aircraft Act, 1934. In addressing the Government of India on the subject the Committee offered the following comments :—

Section II, *Rule* 3.—It was not clear who was responsible for entry in the Journey Log Book of certain information relevant to public health. The Committee presumed that the Commander of the Aircraft was the only person competent to make such entries and that this was what was intended.

In Rules 6 and 9 the words " communicable disease " were used. The Committee suggested that the words " notifiable diseases " should be substituted. Notifiable diseases were :—

(1) Small-pox
(2) Chicken-pox
(3) Measles
(4) Plague
(5) Cholera
(6) Yellow fever
(7) Sleeping sickness
(8) Typhus
(9) Scarlet fever
(10) Jigger
(11) Acute pneumonia
(12) Influenza
(13) Cerebro spinal meningitis.
(14) Diptheria.

In regard to Rule 7 the Health Officer had power to prohibit the embarkation on board ship of persons suffering from notifiable diseases, but he could only suggest that persons suffering from communicable diseases—as distinct from notifiable diseases should not embark. The Committee therefore suggested that this rule be altered somewhat on the following lines :—

" The Health Officer shall prohibit the embarkation in any aircraft of any person with symptoms of any notifiable disease and he may advise the officer in charge of the aerodrome to prohibit the embarkation of any person or persons showing symptoms of communicable disease—as distinct from notifiable disease—except in the case of the transport of sick persons by aircraft specially allocated for the purpose."

Section III, Rule 12.—The Committee were not quite clear as to the effect of this rule, but they presumed that it should be read in conjunction with Rules 13 and 14. The last paragraph of Rule 12 laid down that aircraft coming from a local area infected with yellow fever should land only at the Karachi aerodrome. This implied that areas

infected with yellow fever would exist only outside and to the west of India, and in fact the geographical distribution of yellow fever showed cases as occurring in certain parts of Africa (mostly West), South America, Mexico, West Indies and the United States. If cases of yellow fever occurred to the North, South or East of India, the Governor-General in Council had the power to issue special rules under Rule 13.

Rule 14 laid down that, should an aircraft land elsewhere than on an authorised or sanitary aerodrome the local Authority should take such measures as were appropriate to the circumstances and should, if possible, direct the aircraft to a sanitary aerodrome. In such cases no mails or cargo would be unloaded and no passenger or member of the crew would be permitted to leave the vicinity of the aircraft without the permission of the competent Sanitary Authority.

AIR MAIL SERVICES.

In March 1936 Imperial Airways, Ltd., forwarded to the Chamber a copy of the revised time-table for the England-India Air Services which became effective from the 18th March 1936. Imperial Airways Limited explained that this alteration in the time-table was being introduced with the object of securing improved regularity of the services.

Time-table for England-India Services effective from 18th March, 1936.

EASTBOUND.

				(Local Standard Time.)
London (Croydon Airport)	Dep.	Wednesday	Saturday	12-30
Karachi	.. ,,	Monday	Thursday	16-30
Jodhpur	..Arr.	,,	,,	Evening.
,, ...	..Dep.	Tuesday	Friday	05-00
Delhi	.. ,,	,,	,,	08-05
Cawnpore	.. ,,	,,	,,	10-20
Allahabad	.. ,,	,,	,,	12-00
Calcutta	..Arr.	,,	,,	Evening.
,, ...	..Dep.	Wednesday	Saturday	05-00
Akyab	.. ,,	,,	,,	09-15
Rangoon	.. ,,	,,	,,	12-45

WESTBOUND.

			(Local Standard Time)
Rangoon	..Dep. Monday	Thursday	10–05
Akyab	.. ,, ,,	,,	13–20
Calcutta	..Arr. ,,	,,	Evening.
,, ...	..Dep. Tuesday	Friday	05–30
Allahabad	.. ,, ,,	,,	10–20
Cawnpore	.. ,, ,,	,,	11–40
Delhi	.. ,, ,,	,,	15–05
Jodhpur	..Arr. ,,	,,	Evening.
,, ...	..Dep. Wednesday	Saturday	04–30
Karachi	.. ,, ,,	,,	09–00
London (Croydon Airport)	Arr. Monday	Thursday	11–45

In meantime the Chamber received several complaints from members in regard to the air mail service. The principal complaints were (*a*) that the service had been slow, and (*b*) that it frequently had not kept to schedule.

In addressing Imperial Airways, Ltd., in the matter the Committee stated that they appreciated fully the many difficulties with which Imperial Airways had had to contend, but they felt that more might be done to bring the existing service to a better state of regularity and efficiency. At the same time the Committee considered that the public would probably be less critical if they were better informed of the causes of the delays and the steps taken to rectify them. The Committee enquired therefore what steps had been and were being taken to obviate the delays experienced in the past and to ensure that the revised schedule would mean a more regular service in future.

Another cause of dissatisfaction which had been brought to the notice of the Committee was the apparent lack of liaison between Imperial Airways and the Postal authorities. The notices of arrival or expected arrival which appeared in the Press were generally vague and personal or telephone enquiries at the Post Office were seldom satisfactorily answered. The Committee suggested that steps might be taken to improve matters in this direction also.

Imperial Airways, Ltd., in reply stated that there had been a considerable volume of criticism directed against their service in India during the previous few months;

frequently this criticism made no allowance for various important factors which affected their operations, and comparisons were made with the services operated to a faster schedule than their own, by a foreign company that received a much higher degree of Government assistance in proportion to the commercial load carried.

Imperial Airways mentioned that they had always been prepared to operate services of any speed and frequency that might be demanded provided that the Air Ministry, the post office, the public, or a combination of all three were prepared to pay for them. They were confident that the arrangements which were being made for the rapid conveyance of all first class mail by air within the Empire would prove to be fully adequate. The Empire mail scheme which would be introduced during 1937 involved the construction of a large fleet of new aircraft which must be capable of carrying heavy loads at high speed and at the same time of providing that degree of safety and comfort for passengers on which Imperial Airways always insisted.

In the meantime they had to maintain their existing schedule with regularity by employing the existing fleet. The recent delays to their services, especially eastbound, were primarily due to the destruction by fire in November 1935 of one of their " first-line " flying boats while in the harbour at Brindisi ; such an accident could not have been foreseen and to have kept in reserve another aircraft similar to that destroyed would have entailed heavy costs for maintenance and obsolescence which could not have been justified. The contributory cause of these unfortunate delays was the exceptionally bad weather experienced in the Mediterranean during February 1936, which completely dislocated the maintenance and handling operations of their marine installation at Alexandria.

The alterations in the days of departure and arrival of certain of their services were made in order to avoid congestion on the Mediterranean sector (where they operated

8 services weekly to and from Africa and the East). They also drew attention to the fact that since the change was made in the third week of March 1936 their services between Europe and India had adhered closely to the published time-table.

Those in this country who criticised their service did not perhaps always realise that apart from mails, etc., for India and countries beyond, consideration had to be given to the requirements of intermediate countries such as Egypt, Palestine and Iraq. The route which for both operational and political reasons they were compelled to follow between England and India was by no means the shortest but they aimed constantly at providing the greatest possible measure of satisfaction throughout their routes.

They regretted that difficulty had been experienced as indicated by the Chamber, in obtaining accurate information in Bombay regarding the arrival of the air mails; this was by no means the first occasion on which this unsatisfactory state of affairs had been brought to their notice and they assured the Committee that they were constantly in close touch with the Department of Posts and Telegraphs. Information regarding movements of, and any delays to, their aircraft was regularly and promptly given by them both to the postal authorities and to the representatives of Reuters and the Associated Press of India. This was done with a view to the rapid publication of this news but they themselves could not of course influence the manner in which these notices were passed on to the public either through the Press or otherwise.

In September 1936 the Committee addressed the Presidency Postmaster in regard to the delays that had occurred in the supply of information to the public in regard to the air mail service with particular reference to the loss of one of the seaplanes and the forced landing of another. The Committee expressed a hope that the Posts and Telegraphs Department would make arrangements

with the other Administrations concerned so as to obtain the earliest possible information regarding the movements of air mails and issue prompt announcements to the Press in the event of any deviation from the scheduled time-table.

The Deputy Director-General, Postal Services, to whom the papers had been referred, intimated that every endeavour was being made to inform all newspapers through the news agency of any delays that were anticipated or had occurred.

The Chamber's letter to the Presidency Postmaster and the Deputy Director General's reply, will be found in the Appendices.

EMPIRE AIR MAIL SCHEME.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 21st and 22nd December 1936, the following resolution was moved by the Bombay Chamber :—

"That this Association urges on Government the early acceptance of the proposals for what is known as the Empire Air Mail Scheme which provide for the carriage by air without surcharge of all first class letter mail between Empire Countries.

"That this Association also urges on Government the necessity of making arrangements to ensure that the benefits of the Empire Air Mail Scheme be extended to centres in India not on the through trunk route but served by internal feeder services and that mails to or from such centres be carried by air in India without extra cost to the public."

The Bengal Chamber supported the resolution subject to it being understood that were it more expensive to despatch letters by air than by sea then the option should remain with the despatcher as to which route he used.

A general discussion followed and it transpired that the Empire Air Mail Scheme was generally welcomed. It was not clear, however, to many delegates as to whether mails *from* India would be carried without surcharge as

was the proposal for mails *from* the United Kingdom. Some delegates also voiced a fear that if it was the intention that mails were to be carried by air from India without any surcharge it might be necessary, in order to achieve this for India to contribute a heavy subsidy. After further discussion the meeting agreed to the resolution being withdrawn until further information was available as to the postage rates to be charged from India and as to the proportion of the cost of the scheme which might have to be borne by the Indian Exchequer. The same considerations applied *mutatis mutandis* to the internal feeder services.

CARRIAGE BY AIR IN INDIA OF INWARD AIR MAIL LETTERS INSUFFICIENTLY STAMPED.

In January 1936 the Associated Chambers of Commerce of India forwarded to this Chamber copies of correspondence that had passed between the Burma Chamber of Commerce and the Postal Authorities in regard to a suggestion of the Burma Chamber that letters from countries served by Empire air mail services, marked " By air in India " but not bearing the supplementary fee should be forwarded to their destinations in India by air mail and a fee of not more than twice the amount of the deficiency collected from the addressees. This Chamber was asked whether or not it considered that the matter should be taken up with the Government of India.

In replying to the Associated Chambers the Committee stated that they were unable to follow the implied connection between the proposal of the Burma Chamber and the reciprocal arrangement with Empire countries to which the Director-General of Posts and Telegraphs referred. It seemed to the Committee that the Burma Chamber's proposal was one which would provide a satisfactory means of tiding over the indefinite period which must apparently

elapse before the negotiations with Empire countries were completed and was not intended to be an alternative to any reciprocal arrangement. The Director-General, however, did not face up to this position in his first letter and deliberately evaded it in his second. The Committee considered therefore that the Director-General should either give reasons why the Burma Chamber's suggestion could not be adopted or meet the demand, if it was general, for the forwarding of understamped correspondence to destination by air. In any case the Committee were of opinion that the correspondence from a Government Department so intimately connected with the trading interests of the country should not be allowed to rest with the unsatisfactory replies which had been given to the Burma Chamber and they were in favour of the Associated Chambers taking the matter further.

The Associated Chambers subsequently addressed the Director-General of Posts and Telegraphs and stated that from the correspondence it appeared that the only reason for rejecting the proposal put forward by the Burma Chamber was that the flat rate of postage had been applied to air mail letters from the United Kingdom only, and not to air mail letters from other Empire countries. Hence, air mail letters from Empire countries marked " By Air in India," but which did not bear the supplementary fee for carriage by air in India, were despatched from Karachi to their destination by the surface route. Such articles, the Deputy Director had stated, being insufficiently prepaid could not obviously be transmitted to destination by air, as there was no arrangement at the moment with the Empire countries for the transmission of insufficiently prepaid air mail correspondence by air, which involved payment of transit charges by the country of origin of insufficiently prepaid air mail articles, by air in India. Such letters must, therefore, continue to be disposed of by the surface route from Karachi to destination until a reciprocal arrangement with the Empire countries could be made for the exchange of articles on which the air mail

surcharge was not paid in full. The Deputy Director-General had added that the question of introducing a reciprocal arrangement with Empire countries was under consideration.

From the above it seemed that the only obstacle in the way of meeting the Burma Chamber's request was the absence of any reciprocal arrangement involving payment to India of transit charges by the country of origin for the carriage by air in India of insufficiently prepaid air mail articles marked "By Air in India." The constituent Chambers however took the opposite view, for in their opinion the absence of reciprocity made it competent for the Indian Posts and Telegraphs Department to decide for itself how best to deal with the onward carriage of such postal articles in respect only of their transit from Karachi to destination, at any rate until such time as reciprocal arrangements were completed. The traffic was purely trans-India and outside the scope of reciprocity at the moment, and if the suggestion was acted upon, it would not in any way interfere with the existing reciprocal arrangements for fully stamped articles and for articles stamped insufficiently with the "Air in India" supplementary fee in regard to which the reciprocal arrangements covered carriage by air to Karachi only and onward by surface transport. So long as India received from or made payments to the respective Empire countries for the two classes of articles mentioned above it appeared to be a matter of domestic concern whether she did or did not forward the articles coming within the second category by air or by surface transport within her own boundaries. Such being the interpretation or the reciprocal position in the view of the Associated Chambers, no insurmountable difficulty presented itself in the Indian Postal Department at Karachi surcharging the insufficiently stamped covers with double the "By Air in India" supplementary fee and reloading them on the 'plane for onward despatch by air.

The Associated Chambers strongly supported the Burma Chamber's proposal, as it would not in the opinion of the constituent Chambers involve any breach of reciprocal arrangements; it would bring more revenue to the Indian Postal Department, and would result in articles being carried by air in India, which, though superscribed "By Air in India" and obviously intended to be so transported by the sender, were now removed from the 'plane at Karachi due to understamping—in all probability accidentally or for want of knowledge of the full postal dues required—thus frustrating the facilities and desire for rapid transport afforded by the air service. The Association expressed a hope that the Director-General would reconsider the attitude adopted by his Department in correspondence with the Burma Chamber. In the meantime the Association wished to know what progress, if any, had been made towards the introduction of reciprocal arrangements with Empire countries in this respect.

The Director-General in replying to the Associated Chambers stated that under the provisions of the international Regulations, the Administrations of origin of unpaid or insufficiently prepaid correspondence should impress such correspondence with the stamp T (tax to be paid) and indicate the amount to be collected thereon on delivery. If this was deliberately not done by the Administrations of origin, the Administrations of destination could not recover any surcharge from the addressees of the correspondence. Such air mail letters from Empire countries as were mentioned by the Association did not bear the stamp T and were forwarded by the Administrations of origin by air to Karachi for onward transmission by the ordinary route to destinations in India. The Director-General therefore regretted that he was unable to arrange for the transmission of such air mail letters by air in India and for the recovery of double the amount of the supplementary fee for such transmission from the addressees on delivery, as an arrangement of that kind would be contrary to the provisions of the International Regulations. Unless

and until the Administration of each Empire country introduced a flat rate of air fee from that country to all places in India, cases of air mail letters in question from Empire countries being forwarded by the ordinary route from Karachi to destinations in India would continue to arise.

With regard to the reciprocal arrangement with the Empire countries for the transmission of insufficiently prepaid air mail letters by air, the Director-General said that under the provisions of the International Air Mails Regulations, the Administrations of origin had the option of despatching such letters by air, instead of by the surface route, if the charges prepaid represented at least 25 per cent. of the air mail fee. All the Administrations of Empire countries which were addressed in the matter had, with the exception of a few, expressed their intention to exercise the option in respect of air mail correspondence posted in those countries for India.

In August 1936 in the course of an informal discussion with the Chamber the Hon'ble Sir Frank Noyce, K.C.S.I., C.B.E., I.C.S., Member for Industries and Labour, repeated the official explanation that the postal authorities in India were unable to recover any surcharge from the addressees of correspondents unless understamped air mail letters were marked " By Air in India " and were stamped with a T by the administrations of origin. Sir Frank indicated that the number of letters so marked and not stamped with a T were negligible. He stated that the real remedy was to get all postal administrations to introduce one flat rate. In the meantime he suggested that aggrieved addressees should warn their business friends abroad to affix proper stamps. Sir Frank also enquired what were the countries of origin of the letters which were the subject of complaint. The gist of this discussion was communicated to the Associated Chambers of Commerce of India.

BOOK POST.

(*See Report* 1935, *page* 165.)

It was mentioned in the Chamber's Annual Report for 1935, that the Committee had addressed the Associated Chambers of Commerce of India suggesting that the Government of India might be urged to bring the Indian regulations in respect of book packets more into line with her regulations in force in the United Kingdom. The Chamber was informed in October 1936 that the Associated Chambers after consulting the constituent Chambers had addressed the Director-General of Posts and Telegraphs in this connection.

In replying to the Associated Chambers the Deputy Director, Postal Services, stated that the Director-General had decided that the transmission of documents as described in clause 57 (7) of the Post and Telegraph Guide when posted as book packets need not be taken exception to provided the matter was identical and the only variation that appeared was in the name as "Dear Mr. Smith" "Dear Mr. John" etc. Instructions were accordingly being issued to Heads of Circles.

With regard to a proposal put forward by the Associated Chambers for the use of a special postmark on such book packets, the Deputy Director stated that the course suggested was not considered necessary as the rule already in force dealt fully with the treatment of such postal articles. Instructions had, however, been issued drawing the attention of all concerned to the necessity for the strict observance of the rule.

SEPARATION OF BURMA.

Postage Rates.

(*See Reports*, 1933, *page* 83; 1935, *page* 38.)

It was mentioned in the Chamber's Report for 1935 that the Committee had expressed themselves in favour of the Associated Chambers of Commerce of India addressing the Government of India urging that the postage and

telegraph rates between India and Burma after the separation of the latter should be maintained at the level of the Indian inland rates.

In addressing the Government of India on the subject the Associated Chambers explained that the reason for putting forward the above recommendation was that they had consistently supported the principle that the economic unity of India and Burma should be preserved as far as possible, notwithstanding the political separation of the two countries. The trade between the two countries was substantial and the agreement which was concluded by the two Governments in 1935 was designed primarily to ensure that the existing trade was maintained and was not hampered by Customs barriers. The facility of cheap postal and telegraphic communication was an important item in all business relations and in the opinion of the constituent Chambers any interference with the facilities which existed in this respect would be inconsistent with the principles underlying the trade agreement. The volume of India's trade with Burma, and the valuable interests which many Indians had in that country, clearly required that in the interests of that trade and of the country as a whole the postage and telegraph rates should be kept down to their present level. From the point of view of Burma, the bulk of whose trade was with India and a substantial section of whose population had connections in India, it seemed likely that similar considerations would appeal to the Government of Burma also.

The Association expressed a hope that these views would receive the careful consideration of Government and that every endeavour would be made by the Government of India to give effect to the arrangement recommended after the separation of India and Burma.

"CLEAN" BILLS OF LADING.

In August 1936 in replying to an enquiry from a firm in Bombay as to what was meant by the term "clean bill

of lading," the Committee, after consulting the Shipping and Export Sub-Committee, cited the following authorities which in their opinion had a bearing on the subject.

Scrutton on Charter Parties 8th Edition, Page 142.—"So also a clean bill of lading is one in which there is nothing to qualify the admission that so many packages are shipped in good order and well conditioned."

Maclachlan on Merchant Shipping, page 319.—"If there is any dispute, at the time of signing the Bill of Lading about the quantity or condition of the goods or if the contents of casks or bales are unknown, the words of the Bill of Lading should be varied accordingly. By the insertion of such terms in the Bill of Lading it ceases to be what is termed a clean bill of lading."

Williamson and Payne on Carriage of Goods by Sea Act, 1924, *page* 46.—"It will be noticed that if the shipowner receives goods, which are not apparently at any rate sufficiently packed, he will not, in the event of his describing them as received in apparent good order and condition in the bill of lading, be allowed to give evidence to contradict the statement made in the Bill of Lading or to prove the opposite as against a consignee or indorsee for value. Exception may be relied upon where the insufficiency of the packing was not reasonably apparent but not otherwise."

Carver's Carriage by Sea, page 253.—"Sometimes the expression is used that "Clean Bills of Lading." are to be given. These words do not, however, seem to bear any definitely settled meaning. Used in the present connection (Bills of Lading under a Charter Party) they probably import that there must be nothing on the face of the Bill of Lading to denote that the shipowner has any claim against the goods except for the freight. As between a vendor and a purchaser the words would probably also refer to the description of the goods, and require that there be nothing which denotes that they are defective in condition

and quantity." In a foot-note definitions by various judges are given of which the following seems the most sensible :—

"It appears to me that a Clean Bill of Lading must be construed with reference to the circumstances of each particular case."

Mr. Sanford D. Cole on the Carriage of Goods by Sea Act, 1924, *Page* 41.—"There is not in the Rules or in any English statute any definition of a bill of lading. (The Customs Tariff Amendment Act, 1860, deals with the construction of the term 'bill of lading' but does not define it). In the lading case of Mason *v.* Lickbarrow (1790), i H. Bl. 357, Lord Loughborough said :—"A bill of lading is the written evidence of a contract for the carriage and delivery of goods sent by sea for a certain freight. The contract in legal language is a contract for bailment ; 2 Lord Raym. 912. In the usual form of the contract the undertaking is to deliver to the order or assigns of the shipper."

Professor Thomas says.—"On the other hand, where goods are transhipped in the course of their sea voyage the only good tender under a c.i.f. contract is a 'through' bill of lading covering the goods throughout the whole of their voyage. Thus is the case of Landauer & Co. *v.* Craven and Speeding Bros., 1921, a consignment of goods sold on c.i.f. terms had been shipped from Manila to Hongkong and there transhipped to London. A bill of lading was issued covering the goods from Manila to Hongkong where it was surrendered for a fresh bill of lading covering the voyage from Hongkong to London. It was held that the buyer could refuse delivery of the goods as he had not been tendered a bill of lading covering the whole voyage from Manila to London."

LETTERS OF GUARANTEE COVERING IMPORT CARGO.

Prior to the 1st July 1936 the Exchange Banks were prepared to countersign unlimited guarantees for their customers in connection with irregular bills of lading in cases where the documents were not to hand by the date of the arrival of the steamer thereby enabling the importers to obtain delivery of their goods. But since the above mentioned date the Banks on instruction from their London offices refused to give unlimited guarantees but only guarantees to the extent of double the amount of the invoice value of the goods. The steamship companies on the other hand declined to give delivery of consignments against such limited guarantees. Complaints were received by the Chamber in regard to the inconvenience and losses sustained by some importing houses owing to the deadlock between the Banks and Steamship Companies.

The Committee in the first instance enquired of the Bengal, Burma, Madras, Ceylon, Karachi and London Chambers of Commerce as to whether they had experienced similar difficulty at their respective ports and ascertained that except in the case of Karachi the difficulty had either not arisen or means had been found of overcoming it.

In addressing the Exchange Banks Association in the matter the Committee stated that they recognised that both the Exchange Banks and the Shipping Companies were within their strict rights in the attitude they had adopted and that the real remedy lay with the shipper in seeing that proper documents were forwarded in time and in good order. The difficulty did not arise very often and with the development and cheapening of air mail services should arise still less often in the future. In the meantime it was urgently necessary that some provision should be made to meet a position which at times might cause merchants serious loss and inconvenience. The Committee

expressed a hope that both sides would not continue to stand on their strict rights but would endeavour to come together and reach a *modus vivendi* satisfactory to all parties.

The Committee understood that the matter had come to the fore as a result of a resolution passed by the members of the Exchange Banks Association but as it seemed probable that a settlement could only be reached by head offices in London they requested the Chairman of the Exchange Banks Association to submit the matter to them urging that a settlement should be reached as soon as possible and putting forward such suggestions as he might have to offer conducive to that end.

A copy of the letter to the Chairman of the Exchange Banks Association was forwarded to the Eastern Banks Association in London. The London Chamber of Commerce was also asked to bring its influence to bear in the direction of initiating negotiations in London and bringing about a speedy settlement of the controversy.

INDIAN PORTS ACT, 1908

Rules under the Sanitary Clauses.

(*See Reports*, 1927, *Vol. I*, *page* 188; 1933, *page* 264.)

Under a notification dated 25th May 1936, the Government of Bombay published a draft of certain rules which it was proposed to issue in exercise of the powers conferred by section 6(1) (*p*) of the Indian Ports Act, 1908, for the control of the spread of infection of dangerous, infectious and contagious diseases by vessels arriving at, or being in, or departing from ports in the Bombay Presidency and the disposal of dead bodies on such vessels. The Surgeon General with the Government of Bombay asked for the views of the Chamber on the draft rules.

After consulting the Shipping and Export Sub-Committee the Committee informed the Surgeon General that they were of opinion that in cases where a ship was 'healthy' there was no reason why it should be necessary to send the wireless message required under Clause 3 Part 1. If vessels were required to notify any disease which existed on board it was only needless extra expense if they had to send this message. Otherwise the Committee had no comments to offer on the draft rules.

Clause 3, Part I, read as follows :—

"3. The master of any vessel fitted with a suitable wireless transmitting apparatus shall, when not less than 12 hours out from any port, send to the Health Officer, either directly or through an Agent approved by the Health Officer, a wireless message, embodying all such of the items of information set out in the Standard Quarantine Messages of the International Code of Signals as are applicable :

Provided that the authorities at a port may, with the previous approval of Government, notify supplementary signals not conflicting with the International Code, for use by vessels visiting the port frequently."

INDIAN PORTS ACT, 1908

Control of Mosquito nuisance in Bombay Docks.

In August 1936 the Government of Bombay asked for the views of the Chamber on the following draft of a notification which it was proposed to issue under the provisions of the Indian Ports Act, 1908 :—

"In exercise of the powers conferred by clause (*p*) of sub-section (1) of section 6 of the Indian Ports Act, 1908 (XV of 1908), the Governor in Council is pleased to make the following rule for the control of mosquito nuisance in the Bombay Docks :—

"The Conservator of the Port or an officer duly authorised by him in writing or appointed in this behalf by the Local Government may at any time inspect any vessel within the precincts of the port for the purpose of ascertaining whether mosquitoes or any other noxious insects are present on such vessel or are breeding or likely to breed thereon and if he thinks it necessary or advisable to do so, he may give directions to the master or other person in charge of, or the owner of,

such vessel, or to the agent of such owner, to take such steps as may, in his opinion, be requisite for the destruction of mosquitoes or other noxious insects and for the protection, cleansing, ventilation or disinfection of any places or things on such vessel as may be suitable for, or conducive to, the presence or breeding of mosquitoes or other noxious insects."

After consulting the Shipping and Export Sub-Committee the Committee informed the Government of Bombay that they approved the proposed rule.

DISINFECTION OF CREWS IN BOMBAY.

In September 1936 a shipping member of the Chamber brought to the notice of the Government of Bombay the inadequacy of the arrangements for the disinfection of crews of passenger vessels leaving the port of Bombay. The member pointed out that in the case of passenger vessels leaving from Alexandra Dock, all the members of the crew, with the exception of the "safety men" left on board, had to proceed to the Disinfection Shed at Princes Dock, with the result that their services were lost to the ship for a considerable period and at a time when their services were most urgently required. On the morning of sailing preparations for the reception of passengers and for getting the ship ready for sea had to be made and the loss of the services of the crew for a considerable part of the morning caused serious inconvenience.

Apart from the inconvenience caused by the present obsolete arrangements, the fact that the men had to proceed outside of the Dock limits and were in contact with the general population, both before and after disinfection, appeared to nullify any benefit to be derived from disinfection operations.

The member requested Government to give this matter their early attention and arrange for a site for disinfection premises more in conformity with the change in conditions which had taken place in Bombay since the existing premises were built. They suggested a site between Alexandra and Victoria Docks.

The Committee addressed the Government of Bombay in support of the member's representation and expressed a hope that early steps would be taken to provide an up-to-date disinfection station at a more convenient spot.

PORT SANITARY ADMINISTRATION.

(*See Reports*, 1924, *Vol. I, page* 253 ; 1927, *Vol. I, page* 189, 1935, *page* 174.)

It was mentioned in the Chamber's Report for 1935 that towards the end of that year the Government of Bombay had furnished the Chamber with statements giving figures showing the extra cost, both recurring and non-recurring, likely to be involved by the constitution of a Port Sanitary Authority in Bombay. The Government of Bombay had stated that the estimates were only provisional and were subject to alteration after detailed examination.

The matter received the very careful consideration of the Committee but they felt that no useful purpose would be served by commenting on the statements submitted by Government until the latter had given a clear definition of what duties it was intended should come under the Port Sanitary Authority. In addressing the Government of Bombay to this effect the Committee referred to Clause 8(1) of the Draft Bill that was drawn up in 1934, which read as follows :—

" In any port in which he may consider such action desirable, the Governor-General in Council may constitute an authority for the improvement of the sanitation of the port and its surroundings and for the carrying out of the regulations made under sections 4 and 5."

The second proviso of Clause 8 stated that " provided further that in the order directing such transfer, the Governor-General in Council may direct that the cost of carrying out the duties in question shall be met to such

extent as he may consider right and proper from the funds of such local authority." If this latter proviso of the Draft Bill was read in conjunction with Mr. Clayton's note, it would appear that Government's intention was that the Port Sanitary Authority's functions should embrace not only the duties carried out at the moment by the Port Health Officer but also all the services and amenities furnished by the Port Trust.

The Committee understood that, so far as Bombay was concerned, the intention of Government was that the costs of the Port Sanitary Administration should be paid for equally by itself and by the Port Trust. At the moment all that Government subscribed was 50 per cent. of the expense of the Port Health Officer's department. The Committee considered that if they were correct in assuming that a newly constituted Port Sanitary Authority would carry out the entire health and sanitary duties of the port, then its budget must include not only the expenses of the Port Health Officer's department but also all the other sanitary expenses which were incurred at the moment by the Bombay Port Trust.

In the constitution of the Port Sanitary Authority, and taking into account Clause 8 of the Draft Bill, it appeared to the Committee that consideration must first of all be given to the work, and the cost thereof, undertaken at the moment by the Bombay Port Trust. The estimates which Government had forwarded showed the existing cost of the Port Health Officer's staff and the cost of additional staff which was considered necessary in the event of the formation of a Port Sanitary Authority. In submitting these estimates the Port Health Officer did not appear to have taken into account the existing Sanitary staff of the Port Trust. It appeared clear to the Committee that, until all factors had been taken into account and given due consideration, it was impossible to estimate what the final cost of a Port Sanitary Authority would be.

In the opinion of the Committee, therefore, the most satisfactory mode of procedure would be for Government in the first place to draw up in detail a statement showing exactly what duties they visualised a Port Sanitary Authority should undertake in Bombay. The Committee suggested that this statement should be forwarded both to this Chamber and to the Bombay Port Trust and that the latter should be requested to draw up a comprehensive scheme outlining the manner in which they considered the functions of a Port Sanitary Authority and defined by Government could be carried out and at the same time to give an estimate from their own experience of the working cost of such functions when in operation. Since the Bombay Port Trust were at the moment responsible for providing by far the greater portion of the Sanitary requirements of the Port and at the same time were fully conversant with the existing duties of the Port Health Officer, the Committee felt strongly that the Trust were the obvious body to whom the drawing up of such a complicated scheme should be entrusted.

CONTROL OF COASTAL TRAFFIC IN INDIA.

(*See Reports*, 1927, *Vol. I, page* 167 ; 1928, *Vol. I, page* 202 ; 1929, *Vol. I, pages* 74 *and* 75 ; 1930, *Vol. I, page* 57.)

On the 17th April 1936 a private Bill was introduced in the Council of State the primary object of which as set forth in the statement of objects and reasons was " to remove a possible impediment to the growth and development of an Indian Mercantile Marine." It was also stated that the fear of unfair competition deterred Indian capital being invested in coastal shipping and the Bill was intended to give power to the Governor General in Council, when he was satisfied that unfair competition existed to fix minimum rates of fare and freight or to prohibit the grant of rebates or other concessions which were calculated to reduce such minimum rates. Subsequently the Madras Chamber of

Commerce in addressing the Associated Chambers of Commerce of India in regard to the Bill stated that in its view the precedent which it was sought to establish by the Bill was a dangerous one and its wider application would seriously handicap established concerns in their pursuance of legitimate methods of fighting competition in trade and industry, and it was considered that the Bill was so thoroughly objectionable in principle that the European Group should be asked to oppose it as strongly as possible. The Madras Chamber further suggested that the opinions of the constituent Chambers might be obtained in order that the European Group might be forewarned of the attitude of the various Chambers of Commerce.

The Associated Chambers asked for the views of this Chamber on the provisions of the Bill. The Committee in reply informed the Associated Chambers that they were strongly opposed to the Bill.

At a meeting of the Council of State held on the 28th September 1936 a proposition was moved in the Council of State to refer the Bill to a Select Committee. An amendment was, however, moved and adopted to circulate the Bill for the purpose of eliciting opinions thereon.

In November 1936 the Government of Bombay enquired whether the Chamber had any observations to make on the Bill. The Committee in reply stated that they were strongly opposed to the Bill which, in their opinion, was economically unsound.

INDIAN PILGRIM SHIPS RULES, 1933.

Draft Amendment.

(*See Report* 1935, *page* 171.)

In November 1936 the Government of Bombay forwarded for the views of the Committee a copy of a Notification issued by the Government of India publishing an amendment it was proposed to make to the Indian Pilgrim Ships Rules, 1933.

The proposed amendment read :

" In sub-rule (2) of rule 143 of the said Rules, for the words ' the difference between the amount actually deposited by him and the amount he would have been required to deposit had he sailed on the outward voyage from the port of Bombay or Karachi,' the words, brackets and figure ' a sum which shall not be less than that refundable under sub-rule (1) ' shall be substituted."

The Committee were favoured with a copy of a letter addressed by Messrs. Turner Morrison & Co., Ltd., to the Principal Officer, Mercantile Marine Department, Bombay, in which Messrs. Turner Morrison & Co., Ltd., pointed out that while they considered that, under existing circumstances, the proposal would work fairly both for the pilgrim and the shipowner they requested Government to take into consideration the fact that while the deposit was arbitrarily fixed by the Governor General in Council the return fare was fixed by the shipowner and was liable to fluctuate. Consequently in the event of fluctuations in return fares the proposed amendment would work very unfairly either for the pilgrim or the shipowner if there were a wide divergence between the return fare and the deposit.

In their opinion since the amount of the deposit was fixed by the Governor General in Council the refund should also be a stated figure and should not be dependent upon return fares which were fixed by the shipowner and which might vary. Messrs. Turner Morrison & Co., Ltd. had expressed their willingness to discuss with Government an equitable figure to be fixed as to the amount to be refunded in the case of Calcutta Deposit Paid Passport Holders who returned *via* Bombay or Karachi.

The Committee informed the Government of Bombay that they desired to support the views expressed by Messrs. Turner Morrison & Co., Ltd.

MINIMUM AGE FOR ADMISSION OF CHILDREN TO EMPLOYMENT AT SEA.

In April 1936, the Shipping Master, Bombay, drew the Committee's attention to Article 2 of the Draft Convention fixing the minimum age for admission of children to employment at sea adopted at the International Labour Conference in 1920 and stated that the International Labour Office proposed to place upon the Agenda of the International Labour Conference the question of the revision of this and other minimum age conventions, one suggestion being that the minimum age for admission of children to employment at sea be raised from 14 to 15 years. The views of the Committee were invited on the proposed change.

The Committee in addressing the Shipping Master stated that they had no objection to the minimum age for admission of children to employment at sea being raised from 14 to 15 years provided Article 5 of the Draft Convention was not altered and section 37B of the Indian Merchant Shipping Act was retained in its present form. Article 5 made the Draft Convention subject to such modifications as might be necessary to adapt its provisions to local conditions. Article 37B of the Indian Merchant Shipping Act read as follows :—

37B. "No young person under fourteen years of age shall be engaged or carried to sea to work in any capacity in any ship registered in British India and no young lascar under fourteen years of age shall be engaged or carried to sea to work in any capacity in any foreign ship, except—

(*a*) in a school-ship, or training-ship, in accordance with the prescribed conditions; or

(*b*) in a ship in which all persons employed are members of one family; or

(*c*) in a home-trade ship of a burden not exceeding three hundred tons; or

(*d*) where such young person is to be employed on nominal wages and will be in the charge of his father or other adult near male relative."

COCHIN PORT TRUST.

In March 1936, the Cochin Chamber of Commerce forwarded to the Associated Chambers of Commerce of India a copy of a Memorandum they had prepared protesting against the wholly inadequate representation proposed for commercial interests on the Cochin Port Trust, and expressed a hope that the Association would circularise all constituent Chambers with a view to getting their support to representations which were being made to the Government of India in favour of increased representation of commercial interests on the proposed Cochin Port Trust.

The Committee informed the Associated Chambers of Commerce of India that in their opinion the Cochin Chamber of Commerce and the United Planters' Association of Southern India were entitled to the representation intended by the Cochin Port Trust Act, VIII of 1935, viz., 2 seats and 1 seat respectively, the number of Trustees being increased from 11 to 13, if necessary.

The Associated Chambers subsequently addressed the Government of India stating that in the opinion of the constituent Chambers of the Association, the Cochin Chamber of Commerce had made out a strong case in its memorandum for more adequate representation to be given on the Cochin Port Trust to the commercial interests which that Chamber represented. The Associated Chambers expressed a hope that the Government of India would, when the question of introducing legislation for the establishment of the new Cochin Port Trust was under consideration, bear in mind the request by the Cochin Chamber of Commerce for three seats to be allotted to the interests it represented, the number of Trustees being increased if necessary to provide for these or at least for the two seats to which the Cochin Chamber was entitled under the Cochin Port Trust Act.

DOCK DUES ON VESSELS.

Method of Calculation.

In December 1935 a member drew the attention of the Committee to the Docks' By-law under which dock dues are levied. This by-law reads as follows :—

"The day that a vessel enters and the day she leaves the Docks or the East Harbour Wall of the Docks shall be counted as one day."

In the particular instance about which the member complained the vessel was berthed on the 25th November and left the berth at 11-50 p.m. on the 30th November. She passed through the Dock gates at 12-15 a.m. on the 1st December. The Port Trust charged dock dues for 6 days. The member contended that only the time at which the vessel left the berth should be taken into account and that in this particular case dues should have been charged for five days only.

After consulting the Docks and Railways Sub-Committee the Committee informed the member that in their opinion the rule was quite clear. The words "enters" and "leaves" the Docks could only mean passing through the Dock gates and the question of the time the steamer occupied the berth did not therefore arise. Further the times for moving individual ships must be decided by the Port staff as they had to fit in the movements on each tide to suit the drafts of the vessels and tidal conditions. The Committee considered that any case of inordinate delay in moving a vessel must be a matter for settlement between the Agents concerned and the Port Trust authorities. They did not feel that any such instance could justifiably be put forward by the Chamber as an adequate reason for requesting that the rules should be amended. The Committee added that it must be conceded that the point of time from and to which calculations of dock dues were to be made must be fixed and must be adhered to. If the Port Trust were asked to amend its rules it was not unlikely that the new rules would be based on the practice followed

at other ports and this would undoubtedly react to the detriment of the shipping using the port of Bombay. For instance in many ports the charge was per day or part of a day and a case had been brought to the notice of the Committee where in Calcutta a steamer moving from the Jetties to the Docks and tying up to a buoy *en route* was charged one day's berth hire for the Jetty, one day's buoy hire and one day's dock berth hire, all in respect of the same day. The calculation according to this practice would have entailed the payment of seven days' dock hire for the member's steamer. The Committee considered that the rule as it stood was an equitable compromise which worked both ways, and they regretted therefore they could not see their way to make any attempt to have it altered.

NIGHT DOCKING AND UNDOCKING OF STEAMERS IN ALEXANDRA DOCK.

The following notice was issued on the 8th October 1936 by the Bombay Port Trust relating to the introduction of night docking and undocking of vessels in Alexandra Dock :

"Night docking and undocking as a routine procedure to and from Alexandra Dock, subject to the discretion of the Port Department in exceptional circumstances, will come into force, with effect from the 12th October 1936.

"For the safer handling of vessels during the hours of darkness, Owners, Agents and Masters are requested ordinarily to arrange the entry and departure of their vessels into and out of the Dock on the ebb and flood tides respectively."

RIOTS IN BOMBAY.

LEVY OF DOCKS EXTRA FEES BY THE BOMBAY PORT TRUST.

(*See Report* 1932, *page* 223.)

The following order was issued by the Manager, Bombay Port Trust Docks on the 19th October 1936.

"As the result of the rioting in Bombay, it has not been possible for Importers to effect deliveries of their goods from the Docks. It has therefore been decided that Friday the 16th instant and all succeed-

ing days up to a date to be notified later are to be considered as *dies non* for the purpose of calculating extra fees. This means that all Landing Dates will continue to be fixed in accordance with the ordinary rules, but that all days commencing from Friday the 16th until such date as deliveries recommence (which will be notified in due course by the Docks Manager) will be treated as 'Sundays' in assessing the extra fees leviable on cargo landed in the Docks.

"This exemption from extra fees is however not applicable to export cargo awaiting shipment in the Docks since the day work of the vessels was not interfered with."

The following supplementary order was issued on the 23rd October 1936 :—

"It is notified for general information that the concession of *dies non* for the purpose of calculating extra fees granted under Dock Order No. D/6-57/42 dated the 19th October 1936 will be withdrawn from midnight of Friday the 23rd instant.

"Extra fees as usual will therefore be levied with effect from Saturday the 24th October 1936."

DISTURBANCES IN BOMBAY.

On the 17th November 1936 representatives of the Bombay Chamber of Commerce, the Indian Merchants' Chamber and the Bombay Millowners' Association together with the Sheriff of Bombay were called by His Excellency the Governor to the Secretariat for a discussion on the disturbance to the commercial life of the city occasioned by the existing communal tension and general feeling of unrest and uncertainty prevailing in the business centres. The deputation impressed upon His Excellency the necessity for not relaxing any of the precautionary measures that were being taken by Government and put forward certain suggestions for further action of a precautionary character. In this connection His Excellency pointed out that Government were receiving large numbers of communications from commercial associations and other bodies with which it was impossible to deal individually. He therefore suggested

that the gentlemen present at the meeting should constitute themselves into an informal Committee who would be prepared to receive representations from the commercial community, consider them and forward to Government such information and suggestions as might help in the complete restoration of public confidence. After some discussion His Excellency's suggestion was adopted.

As a result of the above conference the following joint statement was issued by the representatives of the Indian Merchants' Chamber, the Millowners' Association and the Bombay Chamber of Commerce (Mr. L. A. Halsall and Mr. A. K. G. Hogg).

At the request of His Excellency The Governor of Bombay, we, representing the Chamber of Commerce, the Indian Merchants' Chamber and the Millowners' Association were present at a Conference held on 17th November at the Secretariat presided over by His Excellency and attended by the Home Member, the Commissioner of Police and the Director of Information. At the meeting His Excellency informed us of the steps taken by Government to cope with the present situation in the City. We placed before His Excellency the viewpoint of the commercial community and urged the continuance of these measures to restore confidence in the trading market of the City. After a further interchange of views it was arranged that contact should be maintained between G vernment and the Commercial Bodies through a committee which could act as a channel to apprise Government of the state of feeling among the commercial community. Government have assured us that they will keep this committee informed of all measures taken by them to deal with the situation.

We take this opportunity of stating that we are satisfied Government are taking all steps at present necessary to restore confidence and enable merchants to proceed with their normal business.

(Sd.) L. A. Halsall.
A. K. G. Hogg.
R. M. Chinoy.
A. D. Shroff.
S. D. Saklatvala.
Karsondas Thackersey.

Bombay, 17*th November* 1936.

CITY OF BOMBAY MUNICIPAL ACT.

Proposed Amendment.

In July 1936 the Government of Bombay asked for the views of the Committee on a proposal of the Bombay Municipal Corporation to amend Sections 15, 30 (1) and 31 (1) of the Municipal Act with a view to revising the procedure laid down for the election of Councillors by the Fellows of the Bombay University Senate and by a Chamber or Association mentioned in Sub-section (1) of Section 5 of the Act.

Section 30 (1) of the City of Bombay Municipal Act, 1888, provided that an election of a Councillor by fellows should be made, subject to the provisions of Section 15, in such manner as should from time to time be determined at a meeting of the Senate of the University of Bombay convened in accordance with the rules at the time in force in that behalf; provided that no vote should be received from any person who was not on the day of the meeting a fellow and resident in the City. It was urged on behalf of the University of Bombay that it was not feasible under the University Act and statutes to hold a meeting of the Senate consisting only of the members resident in the City and entitled to vote at the election. It was therefore suggested that the convening of a meeting of the Senate for the purpose be dispensed with and that the election be held in a manner to be determined by the Senate in accordance with the statutes in force. It was also urged that the right of voting at such election should be restricted to those fellows only who were resident in Bombay for at least six months preceding the date of election, as a similar qualification existed in the case of voters at ward election. The proposed amendment of Section 30(1) was therefore framed to give effect to these suggestions. A corresponding residential qualification was also called for in the case of candidates standing for the fellows election and with that view amendment to Section 15 was proposed. It was also

proposed to amend on the same lines Section 31(1) of the Municipal Act which provided for election of a Councillor by a Chamber or Association mentioned in Sub-section 1 of Section 5 of the Municipal Act.

The Committee informed Government that they approved the draft amendments.

Subsequently the Government of Bombay asked for the views of the Chamber on a proposal put forward by the Bombay Millowners' Association for the further amendment of Section 17 of the City of Bombay Municipal Act to the effect that a Councillor elected by the Bombay Chamber of Commerce, the Indian Merchants' Chamber or the Millowners' Association should cease to hold his office as such on his ceasing to be a member of the organization which was responsible for his election. The Committee in reply informed the Government of Bombay that they had no objection to the proposed amendment which appeared reasonable but was not entirely suitable in the case of the Chamber, the membership of which was composed of firms and companies and not individuals. The representatives of the Chamber were thus not themselves members of the Chamber and it would be necessary to alter the wording in order to make the amendment applicable to the Chamber.

TOWN DUTY REFUND RULES.

RULE 13 (2) (*b*).

In July 1936, the Chamber's representative on the Bombay Municipal Corporation, Mr. C. P. G. Wade, intimated that the question of amending Rule 13 (2) (*b*) of the Town Duty Refund Rules had been discussed by the Standing Committee and would come before the Corporation at an early date.

Rule 13 (2) (*b*) of the Town Duty Refund Rules read as follows :—

" If there is any material omission in either the original or the duplicate export note, or any material discrepancy in respect of the

particulars entered by the Exporter, or in respect of his signature, between any two of the three documents specified in Rule 11."

The Standing Committee proposed to amend the rule by adding the following proviso :—

"Provided that any *bona-fide* clerical or arithmetical mistake in any of the documents or errors arising therein from any accidental slip or omission shall not be deemed to be a material omission or discrepancy."

The Committee informed Mr. Wade that this matter was raised by the Indian Merchants' Chamber in 1934 and after careful consideration the Committee at that time came to the conclusion that there was no case for an amendment of Rule 13 (2) (*b*). The Committee had again considered the matter and were of opinion that the existing rule was adequate and required no alteration.

The matter was considered at a meeting of the Corporation on the 24th July 1936, and after considerable discussion it was resolved to refer the matter back to the Municipal Commissioner to consider the desirability of inserting the above proviso to Rule 13 (2) (*b*).

PROPOSED TOWN DUTY ON IMPORTED AND LOCALLY MANUFACTURED CLOTH AND YARN.

In January 1936 the Town Duty Officer of the Bombay Municipality asked for the views of the Chamber on a proposal to levy town duty on foreign and factory-made cloth and yarn, which term was intended to include cloth and yarn of textile fibres such as (1) cotton, (2) hemp, (3) jute, (4) flax, (5) silk, (6) artificial silk, and (7) wool.

After consulting the Import Sub-Committee the Committee informed the Town Duty Officer that while they appreciated the desire of the Municipality to improve their financial position, they felt that the inclusion of foreign cloth and foreign yarn and/or factory-made cloth and factory-made yarn in Schedule H of the Municipal Act as articles liable to the payment of town duty would be a

most unfortunate step and one likely further to aggravate the already serious position resulting from the diversion of trade from Bombay to other ports on the west coast of India. The Committee stated that the extent of this diversion of trade within recent years to ports in Kathiawar and other maritime States was well known, and a study of the figures published by the Department of Commercial Intelligence and Statistics showed that the imports into Kathiawar of the very goods on which the levy of town duty was to be considered had increased rapidly in the last few years. The values of imports of foreign textiles into Kathiawar ports in the last three years were as follows :

	Rs.
1932-33	17,51,301
1933-34	28,76,098
1934-35	83,99,512

It had been reported that the Government of India had come to an arrangement with certain Kathiawar States regarding the levy of import duty, but the Committee suggested that this must not be construed to mean that diversion of trade from Bombay would necessarily cease in the future. The charges on imports through those channels were likely to remain, for many years at least, lower than the charges in Bombay. Any additional charge on trade through this city could only result therefore in further diversion to less costly channels.

The Committee also drew attention to the fact that a large proportion of the imports of foreign textiles into Bombay was destined for up-country markets, and it was hardly to be expected that buyers in those markets would, after paying import duty and other necessary charges, face also the additional imposition of a town duty if they could avoid it by arranging for their goods to be shipped to other ports. The Committee stated that it might be suggested that a rebate of town duty could be arranged in respect of goods destined for up-country, but they pointed out that as often as not the despatch of such goods was

effected not in the original packages but in packages made up in Bombay containing a variety of qualities, which did not lend themselves to any system of refund of town duty on export from city limits.

The Committee added that they regarded the proposed amendment of Schedule H of the Municipal Act as open to the gravest objections and that they were strongly opposed to it.

In a notice that appeared in the Press in November 1936 it was stated that the Law, Revenue and General Purposes Committee of the Bombay Municipality had recommended that the proposal should be dropped.

TOWN DUTY ON TALLOW.

In March 1936 several members drew the attention of the Committee to the fact that the Bombay Municipality, Town Duty Department, had imposed a duty of Rs. 2-8-0 per cwt. on all tallow imported into Bombay, purely and simply because this article might be used in adulterating ghee. The members stated that this was definitely not the case and in their opinion 99 per cent. of the importation was for consumption in the Indian cotton mills.

The members felt that this increase was nothing more or less than an imposition and would inflict another burden on the Bombay cotton mills. Based on the prices then ruling this duty of Rs. 2-8-0 per cwt. amounted to approximately 12½ per cent. The members requested the Committee to make a strong protest against the duty.

As the interests mainly concerned were those of the Bombay Millowners' Association the Committee consulted that body and were informed that the matter was being referred to Counsel for opinion and, if necessary, the issue would be the subject matter of a friendly suit in the High Court at a later date.

Subsequently, the Bombay Millowners' Association forwarded to the Chamber a copy of the opinion expressed

by Counsel which was to the effect that the levy of town duty on tallow was entirely illegal.

The Association thereupon opened negotiations with the Municipality which eventually resulted in the withdrawal of the duty and the refund of the duty already collected.

DIVERSION OF WINES AND SPIRITS TRADE FROM BOMBAY.

Towards the end of 1935, it was brought to the notice of the Chamber that consignments of wines, spirits and beer destined for Delhi and other stations in the interior had for some time past been diverted via Karachi instead of being imported via Bombay. The Committee made enquiries as to the cause of this diversion.

Taking firstly the question of *Railway Freights*, the rail rates from Bombay and Karachi to Delhi were the same and enquiries made of the G. I. P. and B. B. & C. I. Railway Administrations indicated that there had been no change in railway freight rates either from Bombay or Karachi to Delhi in recent years. Railway freight rates as being a possible disturbing factor was accordingly ruled out.

Wharfage.—The relative charges at Bombay and Karachi reduced to a common basis were :—

	Wines and Spirits. Per case of 1 doz. quarts including 12½% surtax.	*Beer.* Per case of 4 doz. quarts including 12½% surtax.
	Rs. a. p.	Rs. a. p.
Bombay	0 4 6	0 13 6
Karachi	0 3 0	0 10 0

The difference in wharfage in favour of Karachi was Rs. 0-1-6 per case of wines and spirits and Rs. 0-3-6 per

case of beer and taking the respective average market values of a case of spirits and of beer at, say, Rs. 96 and Rs. 40, it seemed scarcely conceivable that this small difference of less than 2 pies per bottle would alone influence the routing of traffic intended for Delhi territory via Karachi. On the other hand the Committee understood that in 1932 the rate on wines and spirits (disregarding the 12½ per cent. temporary surcharge then imposed) was raised by one anna per case of 1 dozen quarts through a general rounding off of rates then adopted.

Municipal Town Duty.—Wines, spirits and beer imported into the City were liable to Town Duty as follows:—

Wines and Spirits ..Rs. 0-8-0 per case of 2 imp. gallons.
Beer .. .. .. ,, 0-4-0 ,, ,, ,, 8 imp. gallons.

The Town Duty Rules provided for "Exemptions" or refund of duty on consignments re-exported out of the City Municipal limits within six months, subject to the restriction laid down in Rules 21 and 22 of the Town Duty Rules cited below :—

Rule 21.—Several import parcels, the town duty on any of which amounts to less than Rs. 5, may be exported under one export note, or may, if exported under several export notes, be clubbed together in one claim for refund, for the purpose of making up a claim which shall amount to not less than Rs. 5, provided that the importer of all the parcels is the same person and that the goods belong to one only of the classes of articles specified in Schedule H of the Act.

Rule 22.—Several export parcels, the refund on any of which amounts to less than Rs. 5, may be clubbed together under one claim for refund for the purpose of making up a claim which shall amount to not less than Rs. 5, provided that the said parcels are exported by the same person and on the same date and are consigned to the same place and person.

It would appear that the provisions of Rule 22 were so restrictive as practically to defeat the concession allowed under Rule 21 and debar claims for refund of less than Rs. 5 (equal to duty on 10 cases wines and spirits or about

20 cases beer) as the clubbing of several small parcels was only permissible *provided they were exported by the same person and on the same date and were consigned to the same person and same place.*

It seemed evident that this was the main cause of the diversion complained of.

The Committee accordingly addressed the Municipal Commissioner in the matter and recommended for his serious consideration the early cancellation of Town Duty Rule No. 22. The Committee stated that if the Municipality would be prepared to meet the trade to this extent they would then ask the Port Trustees to contribute their quota by reducing the rate for wines and spirits by the amount of the additional wharfage of 1 anna per case put on in October 1932.

The combined effect of this would represent a reduction of 9 annas per case of wines and spirits and about 4 annas per case of beer.

CUTTING OFF OF WATER-SUPPLY BY BOMBAY MUNICIPALITY.

On a complaint from one of the members of this Chamber, the Committee in April 1936 addressed the Municipal Commissioner, Bombay Municipality, with regard to the turning off of the water-supply without warning which resulted in a serious breakdown in the member's workshops of their boiler and air compressor. The Committee stated that they appreciated that in the case of an emergency such as a main bursting, no warning, naturally, could be given nor could one be expected, but in cases that might not be classed as emergent where the Municipality deemed it necessary to shut down the supply for even a short period, the Committee considered that a warning should be given, whenever possible, to such consumers as Mills, Engineering Works, etc., in the area affected. The

Committee understood that the Port Trust always gave notice to their tenants when they found it necessary temporarily to cut off the water-supply and similarly the Bombay Electric Supply Company usually gave warning by telephone to such consumers as were likely to be seriously affected, of their intention to cut off the electric supply. The Committee expressed a hope that instructions would be issued to the Department concerned to warn consumers, whenever practicable, of the Department's intention to cut off the water-supply.

The Municipal Commissioner in replying to the Committee stated that the water-supply in the case referred to was shut off for a few minutes only for testing operations. As these operations were conducted throughout the year, it was not feasible to give prior notice of them. The Commissioner assured the Committee, however, that the supply was closed for the minimum of time and only when all other operations were over. Furthermore, notices were always given to large consumers when the nature of the work was such that the time could be previously arranged or when an unusual delay was likely to occur.

INTERNATIONAL LABOUR CONFERENCE.

Preparatory Maritime Meeting.

(*See Report* 1931, *Vol. I, page* 289.)

The Preparatory Maritime Meeting or, to give it its full official title, the Preparatory Technical Tripartite Meeting of the principal maritime countries, was convened for November 1935 in virtue of decisions taken by the Governing Body of the International Labour Office on 11th April 1935 as to the arrangements to be made for the next Maritime Session of the International Labour Conference. At that time the agenda of this Session included the second and final discussion of the four seamen's questions still outstanding since the first discussion on them at

the 1929 Maritime Session, viz., (1) The regulation of hours of work on board ship; (2) Protection of seamen in case of sickness, including the treatment of seamen injured on board ship; (3) Promotion of seamen's welfare in ports; (4) Minimum requirement of professional capacity in the case of captains and watch-keeping officers on board merchant ships, and also the problem of holidays with pay for seamen which was added to the agenda by the Governing Body in January 1934.

The decisions of the Governing Body were taken in response to certain proposals which were agreed on by the shipowners' and seamen's groups in the Joint Maritime Commission at a meeting held on 14th March 1935. On that occasion this Commission was consulted by the Governing Body on a proposal made on behalf of the seamen's group in the Commission that the question of manning should be taken into consideration in the future discussions on hours of work on board ship, and the two groups in the Commission rapidly arrived at an agreement as to the procedure to be proposed for dealing with this question as well as with the questions already on the agenda of the next Maritime Session.

The Governing Body accordingly at its meeting in April 1935 approved these joint proposals of the two groups in the Commission and took the following decisions in order to give effect to them:

(1) That the question of manning should be placed on the agenda of the next Maritime Session of the Conference with a view to examination of the problem of hours of work on board ship and manning as a whole;

(2) That a preparatory technical tripartite meeting of the twenty-four principal maritime countries should be held in November 1935 to deal with—

(*a*) the question of manning in conjunction with hours of work on board ship, and

(*b*) the question of holidays with pay for seamen;

(3) That the next Maritime Session of the Conference should be held in the autumn of 1936 with an agenda including all the questions

on which a first discussion took place in 1929, with the addition of the questions of manning and holidays with pay for seamen;

(4) That the Maritime Session in 1936 should not be held immediately following on the ordinary session of that year but should be separated from the latter by an interval of some months.

The Preparatory Maritime Meeting was held in Geneva from the 25th November to the 6th December 1935. In the Report of the Meeting that was subsequently issued it was stated that the following were the principal points which appeared to the meeting desirable that the International Labour Office should take into consideration in drafting proposals to lay before the 1936 special Maritime Session and in consulting the Governments :—

(1) Number of officers and men to be carried on deck.

(2) Number of officers and men to be carried in the engine-room and stokehold.

(3) Number of catering staff to be carried.

(4) Number of wireless operators to be carried.

(5) The qualifications required for deck and engine-room subordinate staff.

(6) Limitation of the number of boys, apprentices, etc.

(7) The employment of members of the above staffs in a dua capacity.

(8) Number of watches for officers and wireless operators.

(9) Number of watches for deck hands.

(10) Number of watches for engine-room and stokehold personnel.

(11) Number of working hours per day and/or week for deck officers, wireless operators and deck hands—(*a*) at sea, (*b*) in port and (*c*) on arrival and sailing days.

(12) Number of working hours per day and/or week for officers and other ratings in the engine-room and stokehold—(*a*) at sea, (*b*) in port, and (*c*) on arrival and sailing days.

(13) Number of working hours per day and/or week for catering and clerical staff—(*a*) at sea, (*b*) in port, and (*c*) on arrival and sailing days.

(14) Definition of hours of work.

(15) General conditions of work on board ship, such as working coal at sea, etc.

(16) The employment of a doctor on ships over a certain tonnage and duration of voyage.

(17) Weekly rest or compensation therefor.

(18) Prohibition of the employment of young persons at night.

(19) Concurrent provisions regarding wages, accommodation, food scales and other conditions of employment.

(20) Measures to be taken to secure observance of regulations concerning hours of work or manning scales.

(21) General and special exceptions.

(22) Joint Committees, national and/or international, to deal with any matters arising out of any international regulations on the foregoing.

In March 1936, the Principal Officer, Mercantile Marine Department, Bombay District, asked for the views of the Chamber on the points raised in the Report.

In reply the Committee stated that they endorsed the views of the Shipowners' representatives at the Conference but there were one or two points on which they desired to comment.

The Committee pointed out that international legislation of this nature in the past had tended to penalise the good shipowner and the good shipowning country and had made it harder to compete with both the non-signatory countries and with signatory countries which did not honour their international agreements to the full. Germany, Italy and Soviet Russia, all large shipowning countries, did not appear to be parties to these discussions, while there were also countries of lesser importance remaining outside the proposed legislation.

As had been stated in the discussions, international regulation of manning, etc., could not fairly be attempted without international wage scales. The Committee considered that an international manning scale should be supported subject to the above proviso. The requirements of various types of vessels, the variety of propelling machinery,

of auxiliaries and of cargo gear and the diversity of navigational and trade conditions would make it essential to have a complicated scale of manning. The scales suggested hardly met these requirements.

The Committee were definitely opposed to a manning scale for stewards (other than those catering for officers and crew) and also to regulation of hours of work for stewards attending on passengers. The Committee's information was that stewards themselves did not want to be tied down as they regarded their work more as personal service than general service. They usually received compensation for any extra work performed in the shape of tips and their work was not hard or continuous especially in the eastern or any other seasonal trade. The requirements of passengers must be given first consideration more especially in competitive trades. Legislation of a similar nature stopped short at regulating hours of work of waiters ashore as it was found to be impracticable to apply such legislation to the catering business. It was obvious that the difficulties would be greater still on board ship.

Leave with pay to seamen would entail a complete reorganisation of the system of engagement and the inherent possibilities of abuse were so great that the Committee considered it would be better to abandon the proposal altogether. Officers and engineers were already provided for in most lines and in any case their Associations could deal with points affecting their interests. The case of a subordinate rating was different. In the majority of cases his service with a steamer or line was not continuous and on discharge he sought employment with the first steamer requiring hands. Presumably if he were entitled to leave he could not sign on again with the same line until his leave period had expired. This might result in his having to wait a long time for another ship. Alternatively he might sign on at once in another vessel and the purpose of the leave would be lost. In the latter case leave pay would only be an increase in wages, which in the present parlous

state of British shipping cannot be justified ; in fact it might prove to be suicidal. If it resulted in further handicapping the shipowner in world competition the only sequel would be increased unemployment.

The Committee added that the points which the meeting felt the International Labour Office should take into consideration, would be deserving of support if universally adopted, but here again past experience had shown that this could not be relied upon and the only result was that the shipowners or countries carrying out their obligations were unable to meet competition from others who did not.

Early in June 1936 the Government of Bombay forwarded to the Chamber a copy of a Press *Communique*, dated 15th May 1936, issued by the Government of India in connection with the Twenty-first (Maritime) Session of the International Labour Conference, 1936, which was called for the 6th October 1936. The following subjects were on the agenda :—

I. Manning, in conjunction with hours of work on board ship.
II. Holidays with pay for seamen.
III. Protection of seamen against sickness.
IV. Promotion of seamen's welfare in ports.
V. Minimum requirement of professional capacity in the case of captains, navigating and engineer officers in charge of watches on board merchant ships.

In the Press *Communique* it was stated that the first subject, except the question of manning, and the last three subjects were discussed at the Thirteenth Session held in October 1929. The questions of manning in conjunction with hours of work, and holidays with pay, were considered at a preparatory tripartite meeting of the representatives from the principal maritime States, which was held at Geneva in November-December 1935. All the subjects would be for final consideration. It was further understood that a second session might follow on the 22nd October 1936 if the Governing Body of the International Labour Office decided to submit to the Conference the question of the revision of the Draft Convention fixing the minimum age for admission of children to employment at sea.

The *communique* added that the delegates representing each Member State at the Conference included two Government Delegates, one Employers' Delegate and one Workers' Delegate. Advisers could be appointed for each group according to necessity and circumstances. The duty of nominating the personnel of the entire Indian Delegation rested with the Government of India, who, under the terms of the Treaty of Versailles, had undertaken to nominate non-Government Delegates and Advisers chosen in agreement with the industrial organisations if such organisations existed, which were most representative of employers or workpeople as the case might be. An association would be regarded as representative of employers only if it included among its functions that of dealing with the interests of employers as such (e.g. regulating conditions of employment). The mere fact that the membership of an organisation maintained for other purposes (e.g. the protection and regulation of the commercial interests of its members) included a number of industrial employers was not in itself sufficient to give that organisation a claim to consideration in the present connection.

It appeared to the Committee of the Chamber that from the wording of the last sentence above it was the intention of the Government of India so to restrict the privilege of nominations that bodies such as Chambers of Commerce would not be eligible to make nominations. The Committee were of opinion that Chambers of Commerce were, so far as India was concerned, the organisations best able and most entitled to suggest nominations for the employers' group to a conference which would be dealing with matters directly concerning shipping. The Committee enquired whether suggestions from Chambers of Commerce would be entertained on this occasion.

The Committee also addressed the Associated Chambers of Commerce of India and suggested that the matter might be taken up by them.

The Government of India in reply stated that the wording of the Press *Communique* to which attention had been drawn was designed to emphasize that an Association, in order to have a claim to be regarded as representative, must be an association which included employers functioning jointly in their capacity as employers. Ordinarily a Chamber of Commerce was not an organisation which could be regarded as representative of industrial employers within the meaning of the Treaty of Versailles. There were, however, Chambers of Commerce which functioned also as employers' associations; and, while it was not the intention of the Press *Communique* to preclude such Chambers from making nominations, the question whether a particular Chamber fulfilled the necessary condition or not, was a question of fact and could only be answered with reference to the scope and functions of the organisation.

The Committee considered the reply from the Government of India to be extremely non-committal, but as there appeared to be a prospect that the views of Chambers might be given consideration, the Committee again addressed the Associated Chambers of Commerce of India and stated that they had no name to put forward from Bombay, but they suggested for the consideration of the President the name of Sir George Campbell, who, the Committee understood, was in Europe at that time and who might be asked if he would allow his name to be put forward.

While it was too late to put forward a name of any delegate for this particular conference the Associated Chambers invited the comments of the constituent Chambers on the above correspondence and in doing so observed that, inasmuch as the shipping interests, who were members of the Chambers, were not at the moment members of the Employers Federation of India which was the organisation recognised by the Government of India as being the most representative body of industrial employers in India, a good case could undoubtedly be made out for the

maritime Chambers being consulted concerning the appointment of representatives to International Labour Conferences where maritime matters were under discussion. The President accordingly suggested that a reply be made to the Government of India advocating the consultation in such cases of shipping interests through the Associated Chambers of Commerce of India who would in such matters normally accept the recommendations of the maritime Chambers.

INTERNATIONAL LABOUR CONFERENCE.

Representation of Chambers of Commerce.

In December 1936 the Committee addressed the Associated Chambers of Commerce of India on the question of the nomination of non-Government delegates and their advisers to sessions of the International Labour Conference at Geneva, who under the Treaty of Versailles were chosen in agreement with the industrial organisations if such organisations existed, which were most representative of employers or work-people as the case might be. The Committee stated that for a number of years past this Chamber had received through the Labour Office, Bombay, copies of Press *Communiques* issued by the Government of India, Department of Industries and Labour, calling for suggestions relating to the nomination of non-Government delegates and their advisers, but pointing out at the same time that " an association will be regarded as representative of employers only if it includes among its functions that of dealing with the interests of employers as such (e.g. regulating conditions of employment)." Hitherto this Chamber, while regretting the decision of the Government of India so to restrict the privileges of nomination that such a body as the Bombay Chamber of Commerce might not be eligible to make nominations, had not actively protested against a definition which apparently deprived Chambers of the right to do so. It might be that while the Government of India had their reasons for not committing themselves to

taking into consideration the view of Chambers as such they might on occasions welcome suggestions from the Associated Chambers, e.g., when rival candidates were in the field.

The Committee pointed out that Chambers of Commerce not only represented those who as employers, were vitally concerned in the subjects discussed at the International Labour Conference but were also associations interested in the decisions made in so far as they might affect the general trend of commerce and trade. It could not be contended that Chambers of Commerce were not interested and it seemed to the Committee that unless Chambers of Commerce were content to risk the interests of their members being adversely affected by labour legislation in the making of which they had no voice the Associated Chambers should make a claim to participate in the selection of Delegates and Advisers. The Committee suggested that the President might consider taking such action as seemed to him appropriate after taking the views of the constituent Chambers on the subject.

In circulating this Chamber's letter to constituent Chambers the President of the Associated Chambers stated that he had had an informal discussion with the Department of Industries of the Government of India on the subject, whose attitude was that the Treaty of Versailles referred only to industrial organisations and did not require that the interests of commercial bodies should be taken into account in nominating representatives. They also held the view that Chambers of Commerce could not justly represent the views of shipping companies registered abroad, although the latter might be members of Chamber and they considered that the interests of such companies should be protected by the Board of Trade in Great Britain if they were registered in the United Kingdom.

The President was of opinion, however, that a good case could be made out for Chambers of Commerce to be represented at Maritime Sessions of these International

Labour Conferences ; and he thought that this aspect of the matter might certainly be taken up with the Government of India. The President enquired whether the constituent Chambers considered that a claim should be made on the larger grounds that all business interests were concerned in the decisions of such International Labour Conferences. As stated above, the President anticipated that the reply by Government would be a reference to the Versailles Treaty but it might be as well to secure a definite expression of opinion from Government in the matter.

In acknowledging the receipt of a copy of the circular addressed to constituent Chambers the Committee placed on record with the Association the fact that this Chamber had amongst its members a shipping company registered in India and a firm who were managing agents of another such shipping company.

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INTERNATIONAL LABOUR CONFERENCE.

Twentieth Session.

The twentieth session of the International Labour Conference was held at Geneva in June 1936 when the following subjects were on the agenda :

I. The regulation of certain special systems of recruiting workers ;
II. Holidays with pay ;
III. Reduction of hours of work (*a*) on public works undertaken or subsidised by Governments, (*b*) in the building and civil engineering industry, (*c*) in iron and steel work, (*d*) in coal mines and (*e*) in the textile industry ;
IV. Safety provisions for workers in building construction with reference to scaffolding and hoisting machinery.

TRADE DISPUTES (AMENDMENT) BILL, 1936.

(*See Reports*, 1921, *Vol. I*, *page* 67 ; 1924, *Vol. I*, page 97 ; 1925, *Vol. I*, *page* 101 ; 1926, *Vol. I*, *page* 65 ; 1928, *Vol. I*, *page* 104 ; 1929, *Vol. I*, *page* 90 ; 1932, *page* 254 ; 1933, *page* 286 ; 1934, *page* 243.)

In August 1936 the European Group, Indian Central Legislature, requested the views of the Chamber on a Bill

further to amend the Trade Disputes Act, 1929, which was introduced in the Legislative Assembly on the 31st August 1936.

The Trade Disputes Act was passed in 1929, originally for a period of five years, and was converted into a permanent measure in 1934. It was reviewed by the Royal Commission on Labour and was criticised in certain minor respects by two Courts of Enquiries appointed under it. The proposals contained in the Bill represented the changes which, in the light of experience gained of its working and the opinions expressed upon it, appeared to be desirable. The changes of substance were discussed in the following Notes on Clauses.

Clause 2, *sub-clause* (*a*).—In certain areas inland steamer services were indispensable means of communication, while power plants were essentially public utility services.

Sub-clause (*b*).—At the moment "trade disputes" include disputes between employers and workmen or between workmen and workmen. But the main provisions relating to conciliation were limited to the former class of dispute and nothing in the Act applied to disputes between employers and employers. Serious stoppages of work occurred at times as a result of differences between workmen and it might be useful to enable the machinery of the Act to be used in the case of disputes between employers and employers which threatened to interfere with trade and employment.

Sub-clause (*c*).—With the existing definition, it was arguable that discharged strikers had ceased to be workmen and that in consequence the main provisions of the Act ceased to be applicable to disputes with men so discharged. The amendment was designed to make it clear that such men were, despite their discharge, workmen for the purpose of the Act.

Clause 3.—The amendments were consequential on the amendment in clause 2 (*b*); the alteration in wording in the second amendment included the case where there was more than one employer.

Clauses 4, 5 *and* 6.—The Railway Court of Enquiry of 1931-32 considered that the Act rendered the presence of the Chairman necessary at every sitting and recommended amendment. These amendments made it clear that the Chairman need not be present at every sitting.

Clause 7.—The amendment to sub-section (2) of section 15 was designed to make it clear that it was not necessary, to constitute an offence under the clause, for an employer to lock-out all his workmen without due notice; a partial lockout should also be punishable.

The new sub-clause (2*a*) was intended to assist the Local Government to decide promptly whether their intervention under section 3 of the Act was necessary by ensuring that the threat of a stoppage was brought to their notice.

Clauses 8, 9 *and* 10.—The existing section 16 was framed in terms which, as experience had indicated, rendered it of little value for the protection of the community. It was important that any measures which were necessary to protect the public against the serious injury that might be involved in a big dispute should be taken. But it had also to be recognized that those taking direct part in a dispute of this character might have genuine grievances; and it was proposed to ensure that when a strike or lock-out was declared illegal steps were to be taken to have the claims of the parties investigated. The proposed section 16 accordingly provided that any declaration of a lock-out or strike as illegal must be accompanied by the reference of the dispute to a Court of Enquiry or Board of Conciliation; and the period for which the declaration of illegality subsisted was limited to two months. The changes in sections 17 and 18 were consequential.

Clause 11.—As the Royal Commission on Labour observed, "the heavy artillery of the Trade Disputes Act"

as it stood was not suitable for use in the earlier stages of a dispute ; but it was at these stages that conciliation could be most useful. The new section was designed to facilitate the appointment and the work of Conciliation Officers who would not be responsible, as Courts of Enquiry and Boards of Conciliation were, merely for the investigation and settlement of disputes but would be charged with the duty of preventing disputes.

The Committee examined the Bill in consultation with the Labour Sub-Committee of the Chamber and submitted the following comments to the European Group.

Clause 2 (*a*) (*i*).—It was observed that the Bill omitted the suggested reference to " any industry, business or undertaking " but included inland steam vessel services and tramway services. This was on the lines of the report of the Sub-Committee of the European Group and the Committee suggested its acceptance.

(*ii*) The only change here was the addition of the word " power " which rendered the sub-clause more comprehensive, but the Committee considered it would be better with " generation and distribution " included. The sub-clause might read " Any industry, business or undertaking which generates or distributes light and or power and supplies water to the public ; or "

(*b*) The addition of the words " between employers and employers or " might serve some useful purpose but the Committee were unable to visualise its practical application. They suggested that the European Group should endeavour to ascertain the exact import of the insertion of these words in the clause.

(*c*) The addition suggested looked innocuous, but it was possible that some employees might be discharged during the period of investigations for *bona fide* reasons not connected with the dispute, e.g., an employee might be discharged for inefficiency, theft or similar causes while a trade dispute which had not developed into a strike was

proceeding. Such an employee did not cease to be a workman within the meaning of the Act and under this clause would have to be reinstated.

Clause 3.—The suggestion to add a referee system as an additional means of conciliation was not embodied in the amendments shown in the Bill, and for reasons elaborated in dealing with another reference the Committee were strongly of the opinion that this addition should be pressed for.

If it was established that the amendment in clause 2 (*b*) was warranted the Committee had no objection to the suggested consequential amendments in this clause.

Clause 4.—The Committee thought the wording of this Clause of the Bill was an improvement.

Clause 5.—The Committee agreed to the provisions of this clause.

Clause 6.—The Committee agreed to the provisions of this clause.

Clause 7 (*a*).—Although this only applied to public utility services the use of the words " any of his workmen " appeared dangerous and might lead to endless disputes. Taking its meaning in the extreme sense a public utility company could not refuse to employ any one workman without infringing the provisions of this section. It was hardly within the accepted interpretation of the word " lock-out " that it could be applied to one workman. No doubt it was necessary to provide against individual victimisation but the wording of the amendment was unfortunate. It was suggested that for the words " any of his workmen " the words " any section of his workmen " be substituted.

The suggested alteration in sub-section (2) of section 15 of the Act brought this paragraph into line with sub-section (1) and the Committee saw no objection to the alteration nor to the suggested substitution of the words

"with a fine", for the words "to a fine" as was proposed under clause (*iii*).

Clause 8.—The Trade Disputes Act of 1929 contained provisions which the Committee considered of major importance and which should be retained. Under section 16 a strike or a lock-out was illegal—if it had any other object than the furtherance of a trade dispute within the particular trade or industry in which the strikers or employers concerned were engaged. This provision limited the scope of a strike or lock-out and rendered illegal strikes brought about for political, personal and subversive ends and made it possible to confine the trade dispute to the particular industry in which it arose.

It also provided under the same section that strikes or lock-outs could not be used to compel Government to take or abstain from taking any particular course of action.

This section was further strengthened by a provision which made it illegal to contribute sums of money in direct furtherance of illegal strikes or lock-outs.

These were considered very important points which under the Bill would be replaced by a general authority to the Governor General in Council or the Local Government to declare any strike or lock-out illegal for a period of two months from the date of the notification. Powers were not provided for the Governor General in Council or Local Government to extend the period of illegality. It was possible in a difficult dispute of a major type that the Conciliation Board or Court of Enquiry might not for various reasons have submitted their report at the end of two months, and power to extend the period should at least be included in the Bill.

Provision should also be made under this section to render illegal strikes brought about by unregistered Trade Unions.

In addition, the opportunity should not be missed of embodying in the Act the provisions of the English Act in

restraint of picketing and intimidation. This was a step which had long been advocated by the Associated Chambers and the Committee were glad to see that the Sub-Committee of the European Group attached no little importance to it.

Clause 9.—The substitution of the words " commences, continues " seemed to be an improvement but, if the Committee's suggestion in regard to clause 8 was adopted, the substitution of the words " which is declared to be illegal " became unnecessary.

Clause 11.—The new section 18A appeared to be unobjectionable.

The Committee were informed at a later date that it had been resolved to circulate the Bill for opinion.

THE TRADE UNIONS ACT, 1926, AND THE TRADE DISPUTES ACT, 1929.

Proposed Amendments.

During the year under review the Committee in consultation with the Labour Sub-Committee of the Chamber had under consideration certain proposals that had been put forward by a Sub-Committee of the European Group in the Central Legislature which were submitted to the Chambers for the purpose of ascertaining their views as to the desirability or otherwise of sponsoring or supporting legislation for the amendment of the Trade Unions Act, 1926, and the Trade Disputes Act, 1929, which were intended (*a*) to make easier the control of Trade Unions by Government and (*b*) to encourage the growth of a more stable Trade Union movement. The main points that arose out of the Committee's criticisms of the suggestions put forward by the European Group were :

(*a*) the Committee considered that the healthy development of Trade Unionism could only take place if the movement was controlled by compulsory laws ;

(*b*) that the registration should be refused to Unions whose executive included persons who had previously been

members of an officially banned Labour or Trade Union, or who had previously been criminally convicted for an offence committed under the Trade Unions or Trade Disputes Acts or under any other Act for an offence committed in pursuance or in the course of Trade Union activities ;

(c) the Committee agreed that the section dealing with the appointment of Executive Committees should be amended so as to provide that " not less than two-thirds of the total number of the office-bearers of every Trade Union shall be persons actually engaged or employed in an industry which the Trade Union represents."

The following other points were dealt with, in the correspondence, in connection with the Trade Unions Act :

(1) Definition of Trade Union.
(2) Application for Registration of Trade Unions.
(3) Trade Unions Rules.
(4) Unions which infringe the Criminal Law.
(5) Investigation of Trade Unions affairs.
(6) Trade Unions General Funds.
(7) Trade Union Magazine.
(8) Political Funds.
(9) Trade Union Electoral Rolls.
(10) Trade Union Account Books.
(11) Age of Membership.
(12) Voting Rules.
(13) Trade Unions' Balance Sheets.
(14) Penalties.
(15) Auditing of Accounts.

The following points were dealt with in connection with the Trade Disputes Act :

(1) Definition of Public Utility Service.
(2) Suggested appointment of Referees.
(3) Prohibition of sudden strikes.
(4) Picketing and intimidation.
(5) Penalties for illegal strikes.

The letter addressed by the Committee to the Associated Chambers of Commerce of India on the subject is reproduced in full in the Appendices.

EXEMPTION OF SALARIES AND WAGES FROM ATTACHMENT.

(*See Reports*, 1933, *page* 297 ; 1935, *page* 194.)

In the Chamber's Report for 1935 it was mentioned that a Bill had been introduced in the Legislative Assembly on the 18th February 1935 for the purpose of amending the Civil Procedure Code with a view to providing (1) that salaries, not exceeding Rs. 100 a month, of all workers should be totally exempt from attachment, (2) that the pay of servants of Government, railway companies and local authorities getting more than Rs. 100 a month should be exempt to the extent of the first Rs. 100 and one-half of the remainder, and (3) that while the attachable portion of the pay of servants of Government, railway companies and local authorities should remain as at present liable to continuous attachment, the period of attachment should be restricted as follows, viz., that after a debtor's pay had been attached for a total period of two years (in any one or more periods) no further attachment should be possible in favour of the same decree or in favour of any other decree until twelve months had elapsed.

The main criticisms put forward by the Chamber when the Bill was first circulated were :—

(*a*) That all distinction between the rights and liabilities of Government servants, and those of private employees in respect of attachment of salaries should be removed.

(*b*) That the first Rs. 100 of salaries and one-half of the remainder should be exempted.

(*c*) That the restriction of the period of attachment to two years should not be limited in its application to the servants of Government, railway companies and local authorities.

(*d*) That the principle of attachment of salaries before they become payable should be applied to salaries of private employees as well as of Government servants.

From the report of the Select Committee on the Bill the following points emerged in respect of each of the above objections :—

(*a*) The Select Committee had only partially met the Chamber's contentions.

(*b*) Under the amended Bill, the wages of labourers and domestic servants were exempt from attachment and the salaries of *all* workers were exempt to the extent of Rupees sixty and one-half of the remainder of such salaries. The majority of the Select Committee favoured the Rs. 100 limit.

(*c*) The restriction was still made to apply to servants of Government, railways and local authorities.

(*d*) The principle of attachment before salaries became payable still applied only to the servants of Government, railways and local authorities.

The papers were again circulated to the Labour Sub-Committee who however had no further comments to offer other than those expressed on the original Bill.

WORKMEN'S COMPENSATION FOR OCCUPATIONAL DISEASES.

Silicosis.

(*See Report* 1935, *page* 186.)

In August 1936 the Chamber was informed unofficially that owing to the complications involved by the very gradual onset of the disease the proposal to schedule silicosis as an occupational disease had been dropped. The proposal was also dropped in the case of poisoning by the halogen derivatives of hydro-carbons of the aliphatic series.

HAZARDOUS OCCUPATIONS (LEAD) RULES, 1936.

(*See Reports*, 1934, *page* 77 ; 1935, *page* 189.)

In September 1936 the Commissioner of Labour invited the views of the Committee on certain draft Hazardous Occupations (Lead) Rules, 1936 that had been framed by the Government in exercise of the powers conferred by sub-section (4) of section 33 of the Factories Act, 1934 in supersession of the rules published in 1935 to which a reference was made in the Chamber's annual report for that year.

After carefully examining the rules in consultation with the Labour Sub-Committee, the Committee informed the Commissioner of Labour that when the Chief Inspector of Factories met the Labour Sub-Committee in 1935 he made it clear that, while he was not prepared to forgo any of the powers conferred on him under the Factories Act, he undertook to use those powers reasonably. On that understanding and subject to the following remarks which the Committee hoped would be given consideration, they were prepared to accept the draft Rules.

The wording of item (*iv*) of the Schedule, "The use, except solely in the solid state, of metallic lead, or of alloys containing more than ten per cent. of lead" appeared to mean that all common forms of soldering with a hot bolt and a stick of solder were hazardous occupations. The Committee felt that this was not intended as they saw nothing dangerous in soldering, there being no dust and hardly any fumes. The Committee understood that in a large factory in Bombay, where soldering was carried on daily by hand and by machine, no case of lead poisoning had occurred. Under Rule 5 women would be debarred from this type of work if the above reading of item (*iv*) was correct, and the Committee understood that there were several factories in Bombay which employed women for hand soldering.

Under Rules 8 and 10 a little soldering in the corner of a huge workshop would mean that the whole of the floor would have to be of impervious material and that no food or drink could be brought into that room. The Committee felt that it should be sufficient if the area in which the soldering took place complied with the rules.

In regard to Rule 9—washing facilities—while the Committee did not desire to raise objections to the provision of amenities for the benefit of workers if they could be educated to use them, they felt that there was little use at the present stage in supplying towels which, apart from the risk of spreading contagious disease, would not be used

and would probably be stolen. The Committee had in mind a recent case of a Bombay mill weaving a large proportion of fine and costly fabrics. With a view to securing cleanliness of the finished material, the management installed wash-basins and all the usual accessories mentioned in Rule 9. In less than one week all the loose articles had vanished and the wash-basins were used as depositories for rubbish.

SUGAR PRODUCTION RULES, 1935.

(*See Report* 1934, *page* 169.)

In December 1935 the Government of Bombay drew the attention of the Chamber to the fact that the Sugar Production Rules, 1935, framed by the Governor-General in Council under the powers conferred by section 5 of the Sugar Industry (Protection) Act, 1932, were promulgated by the Government of India in their Notification in the Imperial Council of Agricultural Research Department, No. F. 359-33-A, dated 9th September 1935, and were republished in Part IV of the *Bombay Government Gazette* of 10th October 1935.

The Imperial Council of Agricultural Research had invited the attention of the Government of Bombay to clause 4 of the draft rules which provided for the submission by sugar factories of a yearly return containing a detailed specification of the entire plant in use for the manufacture of sugar and showing separately any additions or alterations made to the plant during the year. In view of the criticism of that clause, forwarded by certain local governments, it was decided that a form should be prescribed for such returns and that the rule should be revised so as to provide that only the first return would contain all the particulars prescribed in the form while returns for subsequent years would give only the additions and alterations made since the submission of the previous returns.

The Government of Bombay forwarded to the Chamber copies of the forms referred to above and asked for its views thereon.

The Committee examined the forms in consultation with members interested and in replying to the Government of Bombay they stated that they felt that in view of the very detailed returns which the factories had already to submit, including Form F (*i*) "Cost of Production," no great harm could be done if factories were required to send in a specification of their plant. The Committee pointed out, however, that it should be made clear, in asking for returns, that all that was expected was the maker's rating of each unit. For example, the heating surface of vacuum pans could obviously not be given from measurement by the factory staff without a great deal of unnecessary work. They suggested further that the requirements of the Sugar Technologist should be more clearly specified in the forms. For example, in the case of filters, presumably what was required was the total filtering area capacity available in the installation, not the average area used. It was very unlikely that all factories would have all the information called for immediately available, and the Committee suggested that time should be allowed for correspondence with the manufacturers.

The Committee presumed that the details given in these returns would be kept confidential as far as each individual factory was concerned, that the returns would be sent in under the registered number allotted to each factory and that the name of the factory would not appear.

The Committee considered that in case of "clarification plant" only actual equipment should be called for, as there did not appear to be any need for clarification secrets to be divulged. It did not seem fair to the Committee that any factory should be asked to disclose, however secretly, information such as was asked for by the item 14 "Alternative clarifying equipment," etc., or by the item 28 "Sampling Equipment." The Committee understood that

many factories had experimental inventions in this sort of arrangement installed by the makers or their own engineers which, obviously, would not be suitably described in a return of this description.

IMPORTS OF CASHEW NUTS FROM AFRICA.

In May 1936 the Government of Bombay forwarded to the Chamber a copy of a representation received through the Government of India with regard to the imports of cashew nuts from Africa in which it was suggested that an export duty should be levied on the African product when it was re-exported from India.

The Committee in replying to the Government of Bombay stated that so far as they understood it the position with regard to imports was that although India produced cashew nuts in excess of its own requirements, cashew nuts were also imported into India from South Africa. The latter were sent to India for the purpose of being decorticated, bleached and suitably packed, after which they were re-exported. Apparently there existed no facilities in South Africa for getting them decorticated, bleached, etc. there. India thus gained a certain amount in this process of improving the imported cashew nuts. If this import was stopped or handicapped it was to be assumed that arrangements would be made in South Africa to have the cashew nuts decorticated, bleached, etc. there and exported direct to the United States of America and Europe, where they would compete against the Indian produce. The Committee did not see, therefore, how the Indian producer could benefit by an export duty or similar handicap on foreign cashew nuts exported from India.

The exports of cashew nuts mainly went to the United States of America and to a small extent to Europe. Owing to the regulations in the United States of America under the Pure Food Law, which required that cashew nuts should be shipped in airtight containers, the export of this

commodity was mainly in the hands of American firms, who had their own installations for packing them at various places in India. It might be correct that the competition between these firms was limited, but the Committee failed to see how this could be changed by an export duty on South African cashew nuts re-exported from India, or any similar measure.

The Committee also failed to see what the freight rates for cashew nuts from South Africa to Coconada had to do with the coastal freight rates from the Malabar Coast and Ratnagiri to Coconada for Indian cashew nuts which mainly grew on the West Coast of India and which the Committee understood were exported direct from there. Further, the figure mentioned for freight paid on cashew nuts imported from South Africa, viz., £20,000 in three months seemed grossly exaggerated. It was estimated that during the past season only about 1,500 to 1,800 tons cashew nuts had been imported into Coconada from South Africa and the previous year about 4,000 to 5,000 tons, on which the average freight rate was under 20 *sh.* per ton.

IMPROVEMENT OF AGRICULTURAL MARKETING IN INDIA.

Grain Standards.

In January 1936 the Agricultural Marketing Adviser to the Government of India informed the Chamber that in accordance with the recommendations of the Royal Commission on Agriculture (1928) and the Provincial Economic Conference (1934) the Government of India had decided to promote a scheme having as its object the improvement of the marketing of agricultural products in India. During the year 1935 a certain amount of preliminary survey work had been done in regard to the more important crops and livestock products.

In the course of the preliminary survey on wheat marketing it had been observed that there were a very large number of grain exchanges in which dealings in wheat were transacted on the basis of 'futures' contracts, and in one province alone there were over 60 such exchanges variously termed Grain Chambers, Chambers of Commerce, Trading Companies, etc. No two exchanges appeared to have the same basis of contract. The amount of refraction was different in almost every case. For example, the amount of red wheat allowed varied from 14% to 30% in the different contracts. The allowances for some other factors varied as follows :—

Barley and Gram ..	2—6%
Dirt	1½—3%
Damaged	*Nil*—1%
Touched	½—2%
Weevilled	1—3%
Shrivelled	2—6%

The range in the above factors—apart from red wheat —was from a minimum of 7% up to 21% and if red wheat was included the range extended from 21% to 51%.

Apart from those varying tolerances there were different methods of calculating rebate allowances above and below the specified figures and also varying practices in regard to deductions on account of cleaning, etc. Delivery months, trading units, settlement dates also varied from one exchange to another. This variation in contract terms made it very difficult for prices between one exchange and another to be properly compared. It also made it difficult for mutual trading between members of the different exchanges and would appear generally to hamper the extension of business to the detriment of traders and those operating on the exchanges. Apart from that there was every indication that the scale of allowances permitted under certain contracts was a direct inducement to adulteration and that the

net effect was to lower generally the standard of quality of Indian wheat to the disadvantage, in the long run, of provinces and anyone concerned in the trade.

Although the acreage of wheat in India was greater than that in the Argentine and Australia put together and was 50 per cent. greater than the total acreage in Canada, and also exceeded the acreage of winter wheat in the United States, there appeared to be in India no grain trade association comparable in importance with those, say, which controlled the wheat markets at Chicago and Winnipeg. The prestige and the influence of these Associations was to a great extent due to the large number of transactions which took place on the floor of their exchanges. It was probably true to say that their trade had been very largely built up on the basis of official government grain standards. At the same time, however, it did not appear necessary to have statutory grain standards in every case. The contracts of the London and Liverpool Grain Trade Associations, for example, had a very wide acceptance in international trade although the standards had been set up by the Associations themselves.

It seemed a matter for consideration whether it would not be possible in India to arrive at some suitable standard as a basis of all contract trading in Indian wheat by mutual agreement between the various Trade Associations concerned. The views of the Chamber were therefore invited on this point and the Chamber was asked whether it would be prepared to send a representative to attend a Conference at Delhi to discuss the matter with representatives of some of the other more important Associations in different parts of India.

A meeting of representatives of Indian Grain Trade Associations and Mills with the Central Marketing Staff was accordingly held at Delhi on the 6th April 1936 and this Chamber was represented by the Hon'ble Mr. R. H. Parker.

The following is a summary of the standard contract terms suggested at the meeting.

I. *Dirt, including Non-food grains or other extraneous matter.*

Basis 1½%	Mutual allowances at contract price up to 3%.
Over 3%	Double allowance *plus* cleaning charges.

II. *Barley, Pulse and/or other food grains.*

Basis 2%	Mutual allowances at half the contract price up to 4%.
Over 4% and up to 10% .	To be allowed for by seller at full contract price.
Over 10%	Buyer's option to reject.

III. *Damaged and slightly damaged (Touched and Discoloured) grains.*

(a) *Damaged* (i.e., grains internally discoloured).

Basis 1%	Mutual—Below 1% the buyer (in respect of all damaged grain present) and the seller (in respect of the difference between the basis and the actual content of damaged grain) may claim allowances at half contract price.
Over 1%	To be allowed for by seller at full contract price.

(b) *Slightly damaged* (i.e., grains externally discoloured).

Basis 1%	Free—No allowance.
Over 1%	To be paid for by buyer at three-fourths of the contract price.

IV. *Shrivelled.*

Basis 1%	Free—No allowance.
Over 1%	To be paid for by buyer at three-fourths of the contract price.

V. *Weevilled.*

	Basis.	Buyer's option to reject.
April to July	*Nil*	Over 2 %
August to September ..	½%	,, 2½%
October	1 %	,, 3 %
November	1½%	,, 3½%
December to March ..	2 %	,, 5 %

Free tolerance—no allowances—up to basis percentages.—Differences between the basis and the rejection limit to be paid for at half the contract price of sound wheat.

VI. *Red Wheat.*

Basis 10%* .. .. Mutual

Excess or deficiency to be allowed for by seller or buyer respectively at 1 pie per cent. per unit.

* As from 1st April 1937.

VII. *Tenderable Wheat.*

The wheat tendered shall be any White wheat produced in India other than Durum or White Seoni as grown in the Central Provinces or derived from stations in the United Provinces south of Lucknow and Cawnpore. It shall be of the current season (specified) crop. The wheat shall be sound, plump, clean, matured, dry and in merchantable condition weighing not less than 60 lb. per bushel. Wheat which contains injurious or poisonous seeds and has a musty or sour odour shall be liable to rejection.

VIII. *Unit of Weight* .. .. Prices shall be quoted in terms of the Imperial Maund of 82-2/7 lb. (82.2857 lb.).

Additional Terms for hedging contracts.

(1) Minimum weight unit of each contract	500 maunds.
(2) *Delivery months*	May. July. September. November. January. March.

Date of delivery in each contract month in up-country exchanges to be 15 days ahead of the corresponding date in port exchanges.

CONTROL OF THE COTTON TRADE IN BOMBAY.

(*See Reports*, 1921, *Vol. I, page* 202 ; 1922, *Vol. I, page* 283 ; 1930, *Vol. I, page* 213 ; 1931, *Vol. I, page* 259 ; 1932, *page* 225.)

In November 1935 a private Bill was introduced in the Bombay Legislative Council with the object of providing for unitary control in the cotton trade in Bombay. After considerable discussion by the Cotton Sub-Committee of the Chamber and the General Committee it was decided to inform the Chamber's representatives in the Legislative Council that the Committee re-affirmed their agreement with the principle of unitary control but that they were opposed to the Bill as it sought to apply the criminal law to persons who did not trade with or through the East India Cotton Association. The Committee considered that the proper way for unitary control to be secured was by the Association concerned obtaining the full confidence of the trade, as had been done in Liverpool, New York, etc., without the aid of the criminal law.

Subsequently as a result of conferences between the Chamber and the Bombay Millowners' Association, the East India Cotton Association was addressed jointly by the two bodies in connection with matters arising out of the above Bill. It was pointed out that while they did not agree with all the provisions of the Bill, they were in agreement with the principle of "unitary control" visualised therein. The two bodies were, however, gravely concerned with another matter which, though not germane to the main provisions of the Bill, was closely bound up with it and would have far-reaching consequences on the Cotton Trade of Bombay, if the Bill became law. As genuine traders, the issue before the bodies was whether the East India Cotton Association, as constituted at the moment, would be in a position to regulate and control trade to the satisfaction of all parties, if it were vested with the powers contemplated in the Bill ? This aspect of the question had been very carefully examined from different angles,

and their analysis had led the two bodies to the conclusion that unitary control, unless preceded by alterations in the constitution and bye-laws of the East India Cotton Association would serve no real or useful purpose. For ready reference the following statement was furnished which indicated in a general way where exactly dissatisfaction lay and why the East India Cotton Association would not be in a position to discharge adequately the responsibilities proposed to be conferred on it under the Bill, without an amendment of its constitution and bye-laws. It was pointed out, however, at this stage that this subject was being dealt with in a frank and sincere manner and it was desired that the criticisms should be received and considered in the same spirit, keeping in mind the common object that all were working for, viz., the good of the cotton trade of India.

In broad outlines the case of the Millowners and Chamber was that :—(1) The constitution of the East India Cotton Association required amendment so that all sections of the trade were duly safeguarded. Full safeguards for all sections could not now be achieved, since the Brokers Panel could command a clear voting majority at any general meeting, and no amendment of the bye-laws was possible without the approval of the general meeting. The Buyers Panel had only 54 members out of a total membership of 310, although its interests and stake in the cotton trade were considerably larger than those of the Brokers. Another point which was mentioned was that a very large proportion of the so-called Brokers Panel were not really Brokers in the accepted sense of the word and that most of them traded in forward contracts on their own account for purely speculative purposes. It was believed that in all well regulated Cotton Associations of the world the speculative element of the trade was precluded from having a controlling voice in the administration.

(2) The Hedge Contracts in force did not offer the trade adequate hedging facilities or any reasonable safeguards.

(3) The arbitration system had failed to function properly in spite of continuous complaints from the trade. Both the survey and appeal systems required drastic over-hauling.

(4) The 'spot rates' fixed were often unsatisfactory owing to the fact that some of the members of the Spot Rate Committee were not in touch with the ready market.

(5) Holidays and trading hours were not adequately regulated. It was essential that a body which desired to have complete control of the trade should have definite holidays and trading hours, and these should be strictly adhered to unless very exceptional reasons existed.

(6) Control of Ring Trading was unsatisfactory and the rules relating to it needed drastic revision.

In forwarding to the Government of Bombay a copy of the letter addressed by the Chamber and the Millowners' Association to the East India Cotton Association those bodies urged that if the East India Cotton Association were unable to agree to the suggestions put forward by them for the amendment of the constitution and bye-laws of the Cotton Association it would, in the opinion of the Chamber and the Millowners' Association, become necessary for Government to appoint a Committee of Enquiry fully representative of the trade to examine the question of the amendment of the constitution of the East India Cotton Association and its bye-laws with a view that, while unitary control of the cotton trade of Bombay was achieved under that constitution, the interests of all sections of the trade were duly safeguarded.

It was further submitted that, in the meantime, consideration of the Bombay Cotton Contracts (Amendment) Bill should be postponed.

In replying to the criticisms of the Chamber and the Millowners' Association the East India Cotton Association asked those bodies to submit concrete instances of dissatisfaction and detailed suggestions for their removal.

A further joint letter was therefore submitted to the Association in which the six general heads under which criticism was previously submitted were dealt with in greater detail as follows :—

(*a*) *The Constitution of the East India Cotton Association* :—It was contended that the East India Cotton Association existed primarily and essentially to regulate and control the orderly marketing of actual cotton bought and/or sold in the Island of Bombay in such a manner as to ensure that the interests of *bona fide* dealers were adequately safeguarded. That this contention was correct might be proved by a study of the Memorandum and Articles of Association of the East India Cotton Association Limited.

In Clause III (*b*) of the Articles, it was stated that an objection of the Association was to control, promote and regulate the Cotton Trade in the Presidency of Bombay and elsewhere in India, improve its stability and augment the facilities with which it might be conducted. In clause III (*e*) (2) a further object was specified, namely, regulation of handling and exportation of cotton from India and the importation of cotton into India in so for as it might be imported. A further object, as outlined in Clause III (*c*) (5), was to facilitate the due shipment and delivery of cotton. In Clause III (*c*) (8) a further object was specified, namely, to prescribe the principle of framing of contracts with a view to eliminate the temptation and possibility of speculative manipulation. In Clause III (*m*) a further object was specified, namely, to communicate with Chambers of Commerce and other Mercantile and Public throughout the world and concert and promote measures for the protection of the Cotton Trade and Traders in cotton. If it was admitted, as it was considered it must be, that the main reason for the existence of the East India Cotton Association was to facilitate the orderly marketing of cotton and to protect the interest of *bona fide* producers and users of actual cotton, then it was maintained that the existing constitution was unsatisfactory, inasmuch as

one particular section of the Trade, and that the least concerned in dealings in actual cotton, had a preponderating voice in the management of the Association's affairs.

It was contended that during the 4½ years in which the constitution of the East India Cotton Association had been working, conditions of trading had deteriorated. Many reforms generally recognised as necessary had not up to the moment been put into operation, and in this connection a reference was particularly made to hedge contracts, surveys and appeals, control of ring trading and the regulation of trading hours and the fixation of holidays. It was suggested that rapid progress to a more acceptable state of affairs from the point of view of the Traders in actual cotton was unlikely to be achieved unless and until the constitution was so revised as to give such Traders a more effective voice both at meetings of the Board and at General Meetings. In agreeing to the minority recommendations of the Wiles Committee in so far as the constitution of the East India Cotton Association was concerned, it was admitted that the Cotton Trade made very considerable concessions to the Brokers, and events had shown that these concessions were a mistake.

(*b*) *Hedge Contracts* :—In regard to hedge contracts, no improvements had been effected. It was understood that the Board had before them a proposal for a system of three hedge contracts to replace the existing five contracts, but judged from past experience, it was somewhat doubtful whether even this modest advance would be acceptable to the General Body with the voting powers distributed as at present. It was contended that the existing contracts did not satisfy the requirements of the Trade, did not function properly, and that this was no longer a matter of opinion but a fact. Both Traders and Growers desired better hedge facilities, and the negative attitude of the East India Cotton Association was most unsatisfactory.

(*c*) *Surveys and Appeals* :—Similarly, in regard to surveys, there had been delay in taking effective steps to

bring about improvements. Every dealer in actual cotton was aware that there were grave defects in the way surveys and appeals were being conducted, and there was little or no excuse for the failure of the Board to take effective action. It was maintained that surveys and appeals had been progressively more unsatisfactory during the last few years.

(*d*) *Ring Trading* :—While it was recognised that the bare requirements of the Bombay Cotton Contracts Act of 1932 had been complied with by the Ring Trading Bye-laws, it was maintained that they were still unsatisfactory in certain respects and that certain of the defects existing at the moment would have been removed had it not been for the broker majority in the general body. In this connection, it was pointed out that, when the Ring Trading bye-laws were first placed before the General Body of the East India Cotton Association, the members of the Buyers' Panel moved certain amendments relating to the admission of sub-brokers into the Ring and the powers of the Ring Sub-Committee to change the hours of trading, which were defeated by the Broker section voting against them.

(*e*) *Hours of Trading and Holidays* :—On many occasions, trading had been closed down for totally insufficient reasons. The Chamber and Millowners' Association were strongly of the opinion that a body such as the East India Cotton Association, which held what almost amounted to a charter from Government, should fix and maintain trading hours and holidays, and these fixed hours and holidays should not be departed from except for very special reasons. Holidays should be confined as far as possible to holidays declared under the Negotiable Instruments Act and infringements of trading hours should be penalised by effective disciplinary action.

(*f*) *Disciplinary Bye-laws of the East India Cotton Association* :—It was the view of both bodies that, in general, discipline in the Trade was lacking and that certain of the disciplinary bye-laws of the East India Cotton Association

were merely bye-laws in name and that, though numerous occasions had arisen when they should have been used, they had remained a dead letter. As an example, the omission to impose penalties under bye-law 61 was referred to and it was considered that this was one of the reasons why tenders against hedge contracts were sometimes of disgracefully inferior cotton. Despite its powers, the Appeal Committee never discriminated between just "chuck" cotton and cotton which was several classes below the "chuck" box. There had also been a noticeable reluctance to penalise cases of malpractices, such as excessive watering and bad ginning, which were both in some measure responsible for the poor reputation of Indian cotton and the resultant poor price to the cultivator. As an example of lack of discipline, generally, the failure to prevent crowding in the survey room and failure to ensure the blindness of surveys were referred to.

(*g*) *Fixation of Spot Rates* :—As regards spot rates, while the difficulties were fully appreciated it was pointed out that there was dissatisfaction as to the quality of work done. A number of cases could be quoted in which outside authorities had had to be consulted by the acting spot rate committee. In one instance, two representatives of members of the East India Cotton Association were consulted by a committee of three, who confessed that they were ignorant of the value of a sample of Western cotton, but the valuation given was ignored and Rs. 5 to Rs. 7 added to the figure given. The results of appeals to the Board regarding spot rates had on many occasions been unsatisfactory, and were likely to continue to be so, since a majority of the Board, notably the Growers and Brokers, were not competent to estimate the intrinsic values of various types and growths of cotton, which left only five or six persons on the Board responsible for any rates which might be fixed. The fact that there were many appeals on spot rates, proved that the existing system was not working properly. The defects of the existing arrangement were also aggravated,

because members of the Board were given no opportunity of ascertaining the correct rates for a given quality (very often a private sample), but had to give a final opinion at the meeting itself, and this was apt to lead to wrong decisions.

Conferences were held subsequently between representatives of the Chamber, the Millowners' Association and the East India Cotton Association. In the meantime the Bill came up for consideration in the Bombay Legislative Council and was withdrawn.

COTTON TRANSPORT ACT.

Boundaries.

On the 19th March 1936 the following resolution was passed by the Bombay Legislative Council :

' This Council recommends to Government that the following Notification proposed to be issued under Section 3 of the Cotton Transport Act (III of 1923), having been laid in draft before the Council and approved by it in the form set forth below may now be issued in the said form :—

Notification.—In exercise of the powers conferred by Section 3 of the Cotton Transport Act (III of 1923), the Government of Bombay is pleased to amend Government Notification in the Revenue Department, No. 535-A, dated the 11th May 1931, as follows, namely :—

In the description of the boundaries ' On the North ' of the ' Protected Area ' mentioned in Schedule I appended to the said Notification, the words ' or the North boundary of the Rewa Kantha Agency whichever is farther north ' shall be deleted.'

In explanation it might be stated that the powers referred to under Section 3 of the Cotton Transport Act, 1923, were the power to prohibit the import of cotton into

certain specified areas by rail, road, river or sea or by any one or more of such routes save under and in accordance with the conditions of a licence prescribed in this behalf and further the power to prohibit the delivery to, and the taking of delivery by, any person, at any of the specified railway stations of any cotton when such cotton had been consigned from a railway station not situated in the said area unless such person held a prescribed licence for the import by rail of cotton into the said area.

The area referred to in the Notification was the Nerbudda-Mahi Zone consisting of that portion of the Bombay Presidency which lay between the Nerbudda and Mahi rivers within the following boundaries :—

On the North.—The Mahi river or the north boundary of the Rewa Kantha Agency whichever was farther north.

On the South—The Nerbudda river or the north boundary of the Rajpipla State whichever was farther north.

On the West.—The sea.

On the East.—The eastern boundary of the Rewa Kantha Agency or the eastern boundary of the Panch Mahals whichever was farther east.

The Notification which had the support of the Chamber altered the northern boundary of this area.

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MIXING AND RE-PRESSING OF COTTON IN BOMBAY.

During the month of February 1936 several complaints were received by the Chamber from Japan in regard to the alleged deliberate mixing and re-pressing of cotton in Bombay. The question was carefully considered by the Committee in consultation with the Cotton Sub-Committee of the Chamber. While the Committee very strongly deprecated the practice complained of, they felt that the

remedy lay in the hands of the Japanese importers. It appeared that the complaints mainly arose when shippers sold "on description" and not "on type." The Japanese mills bought a large proportion of their Indian cotton "on description." In the case of cotton consigned to Japan for sale there on its merits the buyer naturally must see what he was buying. Similarly if the cotton was sold for shipment on representative types the shipment could only be judged by a comparison with the relative "type." In the case of cotton sold "on description," however, the question of the press marks on the bales had an important bearing, because, if the bales complained of bore a Bombay press mark instead of a press mark of the district where the cotton was supposed to have been grown the importer should obviously look on the bales with suspicion and if necessary claim arbitration. Replies to the above effect were forwarded to the bodies who addressed the Chamber.

USE OF INDIAN COTTON BY LANCASHIRE.

(*See Reports*, 1934, *page* 253; 1935, *page* 209.)

In January 1936 the Chamber received copies of the Second Annual Report of the Lancashire Indian Cotton Committee. After consulting the Cotton Sub-Committee of the Chamber the Committee informed the Lancashire Indian Cotton Committee that they considered that the high standard set in the first report had been fully maintained and they again expressed their appreciation of the excellent work put in by Mr. Short who, they understood, spent five of the six months of his leave in England in interviewing buyers and endeavouring to impress on spinners the possibility of adapting Indian cotton to their special needs.

While acknowledging fully the achievements of the Lancashire Indian Cotton Committee the Committee expressed a hope that they would not rest content with what

they had already done but would continue to use their best endeavours to encourage the further use of Indian cotton. In this connection the Committee mentioned that there were certain styles of Indian cotton such as Dholleras, Mutthias, Khandeish and a few other leafy varieties that were not being bought at the moment, due in all probability to the excess of leaf in the cotton. The Committee suggested that the Shirley Institute might study the question of cleaning this cotton in order to make it suitable for Lancashire spinners, particularly as the cotton was sometimes available at a very cheap price.

The Lancashire Indian Cotton Committee in replying to the Chamber stated that they would continue to encourage the greater use of Indian cotton, and the question of cleaning the cottons referred to would be borne in mind. They added, however, that they felt that this was a question that might be given some consideration at the ginneries.

IMPORTATION OF FOREIGN COTTON SEED INTO INDIA.

In September 1936 the Indian Central Cotton Committee drew the attention of the Chamber to the fact that under the Destructive Insects and Pests Act, 1914, the import of foreign cotton seed into British India was prohibited save for experimental purposes and by specified officers of the Agricultural Department ; further such imports were only permitted through the port of Bombay provided they did not exceed 1 cwt. (112 lbs.) for any one consignment and on arrival were fumigated with carbon bisulphide. Before imposing the prohibition, the co-operation of Maritime Indian States and Foreign Administrations was sought and whilst the Foreign Administrations and some of the Maritime States agreed to fall in line without reservation, some reserved to themselves the right to import cotton seed whenever they considered it necessary to do so, themselves undertaking the responsibility for fumigation, and others

restricted importation to cotton seed of non-Asiatic origin only. Though the number and quantity of imports into the Kathiawar States of Asiatic cotton seed or kapas had not been excessive in the past, recently a large consignment of cotton seed, apparently of Persian origin, was imported into one of the Maritime Kathiawar States. In order, therefore, that the measures taken in British India for the prevention of the importation of foreign cotton pests were not indirectly nullified, it was proposed to approach the Maritime States in Kathiawar again with the object of securing their consent to the prohibition of the import of all foreign cotton seed (including kapas) without qualification. One difficulty which arose in giving effect to this proposal lay in the fact that cotton was grown in small quantities in the Mekran (Baluchistan Agency) and brought from there to Kathiawar for ginning. Provision could be made for the exclusion from the operation of the restrictions of the imports of kapas and cotton seed from the Baluchistan Agency into Kathiawar, provided it was certain that there was no overland trade in cotton seed or kapas from Persia into Baluchistan. The danger from Persia arose from the fact that there were no restrictions on the import of foreign cotton seed into that country, and further that there were substantial areas under cotton where strange diseases and pests might flourish unrecorded due to the absence of proper Agricultural or Entomological staff.

The Indian Central Cotton Committee asked the Chamber to make such enquiries as might be possible and to furnish them with such information as might be available regarding the nature and extent of the overland trade, if any, in cotton seed and kapas between Persia and Baluchistan.

The Committee considered the question in consultation with the Cotton Sub-Committee of the Chamber but were not able to obtain any information in regard to the existence of any overland trade in cotton seed and kapas between Persia and Baluchistan. In informing the Indian Central

Cotton Committee to this effect the Committee recommended that in any case everything possible should be done to secure the total prohibition of imports of foreign cotton seed into India.

EXECUTION OF FOREIGN ARBITRAL AWARDS.

(*See Reports*, 1923, *Vol. I, page* 219; 1928, *Vol. I page* 239.)

In February 1936 the European Group in the Central Legislature forwarded to this Chamber a copy of a Bill that it was proposed to introduce in the Legislative Assembly for the purpose of making certain further provisions respecting the law of arbitration in British India. In the statement of objects and reasons appended to the Bill it was mentioned that the Government of India had had under consideration the question of India's adherence to the Geneva Protocol on Arbitration Clauses (1923) and the International Convention on the Execution of Foreign Arbitral Awards (1927). The object of these instruments was to meet the widely expressed desire of the commercial world that arbitration agreements should be ensured effective recognition and protection. A large number of countries including many of first-class commercial and industrial importance, e.g., the United Kingdom, France, Germany, the Netherlands, had adhered to these Instruments.

After consulting Local Governments, High Courts and commercial bodies, a majority of whom were found to be in favour of India's accession to these Instruments, the case was placed before the Commerce Department Standing Advisory Committee of the Legislature who recommended that India should adhere to the Instruments. These had accordingly been signed at Geneva on behalf of India, subject to reservations limiting India's obligations under the Instruments to commercial contracts and excluding the Indian States from the scope of the Instruments.

The Instruments provided for their ratification by a contracting party before they were enforced in respect of that party. Prior to ratification it was necessary to enact legislation to implement certain obligations contracted under these Instruments and the Bill incorporated the legislation needed in this respect.

After consulting the Chamber's Solicitors the Committee submitted the following comments on the Bill :

The Bill provided that reference to arbitration should be compulsory in all cases where the contract included an agreement to arbitrate and that the only reasons for which Courts could stay arbitrations were (*a*) that the agreement had become inoperative or could not proceed (it was not easy to define the meaning of these words), or (*b*) that there was in fact no dispute between the parties, (a question which might entail a prolonged enquiry before a decision could be arrived at). In this respect the Bill differed from the English Act 14/15, Geo. V.. Chap. 35, which did not include the latter ground as a reason for staying an arbitration. Though the Bill made a reference to arbitration compulsory where there had been an agreement to arbitrate, the Bill did not make an agreement to refer to arbitration compulsory and it was always open to parties entering into contracts in cases where they did not think arbitration would be satisfactory, to decline to agree to refer disputes to arbitration. The most serious objection to compulsory arbitration was, the Committee were advised, the question of evidence. Whatever original documents might be admissible as evidence, and the Committee were unaware what the law might be abroad as to the admissibility of commercial documents, verbal evidence might, in some cases, be necessary, and in others essential and if arbitrators had no power to issue a commission to examine witnesses abroad, it might be necessary to send these, say to Japan, at considerable expense to give evidence before the arbitrators.

There were a few points on the Bill which seemed to the Committee to deserve some further consideration.

The preamble referred to contracts which were "considered" as commercial under the law in force in British India. It seemed to the Committee that this expression might lead to doubt and difficulty. Who in a foreign country was to decide what contracts were considered as commercial under the law of British India? Whose opinion was to be decisive as to whether a contract was to be considered commercial? In the Rules of the Bombay High Court commercial causes included cases arising out of the ordinary transactions of merchants, bankers and traders, amongst others those relating to the construction of mercantile documents, export or import merchandise, affreightment, carriage of goods by land, insurance, banking and mercantile agency and mercantile usages. This was a not unsatisfactory definition, but to enable a suit to be transferred to the Commercial Cause, it must be proved that there was a substantial question of law at issue. The Commercial Judge would not, as a rule, accept as a Commercial Cause a suit where there was no substantial defence, and where the reason the defendant was indebted to the plaintiff was merely that the defendant was unwilling, or unable to pay. This followed the English practice, but the result was a somewhat curious one, inasmuch as it was often possible for a plaintiff to get a decree more rapidly where a substantial question of law was involved, than where the defendant merely refused payment, and put in a written statement for the purpose of delay.

Was it intended that this procedure was to be limited to such disputes as would fall within the jurisdiction of the Commercial Court, or cover what one might call debt collecting?

Cases might occur where one party alleged there was a contract containing an arbitration clause, and the other party might allege there never was a contract. It did not seem to be quite clear from the Bill what the position would be in such a case.

Under section 7 (1) (*a*) a foreign award might be enforceable if it had been made in pursuance of an agreement for arbitration which was valid under the law by which it was governed. It was sometimes a matter of considerable doubt what law governed a particular contract, and it would seem more satisfactory that this point could be disposed of at the outset of the proceedings rather than to allow the arbitration to proceed and this point to be raised when it was intended to give effect to it.

Section 7 (1) (*b*). Where one party failed to appoint an Arbitrator, would the sole arbitrator be the Tribunal provided in the agreement, or constituted in a manner agreed upon by the parties ?

7 (1) (*c*). A dispute arising from or founded on some illegal or *ultra vires* transaction could not be lawfully referred to arbitration under the law of British India. No provision had, however, been made regarding contracts which might be legal in one and illegal in the other country and such award might still be enforceable elsewhere than in British India.

The Committee did not like the expression "public policy." Judges were more to be trusted as interpreters of the law than as expounders of what was called public policy. Mogul Steamship Co. *vs.* McGregor Gow & Co. 1892 A.C. 25. The doctrine of public policy was regarded nowadays as one rather for the Legislature than the Courts. Hyams *vs.* Stuart King, 1908, 2 K.B. 696.

Clause 10 provided for the making of rules particularly in respect of the enforcing of foreign awards. If these rules were made simple, the enforcement of awards made abroad would be considerably facilitated. It was particularly essential that the evidence which the High Court would require to satisfy itself that the award was final, should be clear. It was presumed that the High Court would make rules as to the Court in which the award was to be filed.

DISCHARGE OF TIMBER IN BOMBAY.

(*See Reports* 1908, *page* 124; 1909, *page* 76.)

In March 1936 a member brought to the notice of the Committee that a steamer had arrived from Saigon with teak scantlings and instead of giving delivery in the stream she was brought into Dock and delivery was given overside into lighters which entailed additional overside charges.

The member enquired as to what was the custom of the port in this respect, i.e., (1) whether it was usual for delivery to be given of such goods in the stream, and (2) whether in the case of delivery being given in the Docks the steamship company or the importers were liable for the overside charges.

The Committee in reply informed the member that the usual Bill of Lading terms allowed the ship to discharge her cargo into boat or craft or receiving ship or on to the wharf. At the same time, the requirements of importers were taken into account and were given due consideration, these requirements being met where possible. When a steamer gave delivery of scantlings into lighters in the stream she did so to suit the convenience of importers but it was not always practicable to give such delivery and importers could not claim this as a right. The Committee added that all charges, either in stream or dock, were payable by importers.

TIMBER SQUARES.

Claim for Shortage.

In May 1936, a railway member of the Chamber asked for the views of the Committee on the following points. It was stated that quotations were often accepted for timber squares on a c.i.f. basis. The squares were landed by a firm of unloading and landing contractors engaged by the railway. In the case of a shortage on arrival the question had arisen as to whether the merchant concerned or the

railway company was responsible for making a claim against the shippers.

Before expressing an opinion the Committee enquired of the railway on what basis the goods were taken over, what documents were presented to the railway by the sellers of the timber and whether it was a condition of the sale that payment was to be made to the sellers by the railway company on presentation of the documents.

The railway in reply stated that the timber was purchased by them on c.i.f. terms, delivery alongside steamer. The sellers handed over shipping specification and the original Bill of Lading endorsed in the name of the railway company and the railway company endorsed it over to the name of the landing contractor who took delivery alongside the steamer. Ninety-five per cent. payment was made after the logs were inspected and the balance was paid after final inspection and measurement at destination.

The Committee informed the railway company that in their opinion the railway company was responsible for making a claim against the sellers. If the documents had been endorsed over to the landing contractor the latter should make the claim unless he authorised the railway company to do so. The Committee added that if there was a shortage in numbers the claim was against the steamship company ; if the number of logs or pieces was correct and there was notwithstanding a shortage in measurement, the claim was against the sellers.

LIABILITY FOR SHORTAGES FROM BAGS OF IMPORTED SUGAR.

In March 1936, a member enquired whether the Chamber had given any ruling on the undernoted points :—

(1) When vessels discharge sugar cargoes under Java Conference terms the vessel is liable for shortages from *cut and torn* bags. Is there

any ruling that the vessel is not responsible for shortages from bags with mouths and sides burst ? In practice the vessels do not pay such claims.

(2) When vessels do not discharge under Java Conference terms, it is customary for them to repudiate liability for shortages *ex* cut and torn, and burst bags on the grounds of insufficiency of packing, weak sewing, etc., as ascertained by the surveyors, as single gunnies are not recognised as being sufficient to withhold the contents.

The Committee after consulting the Import and Shipping and Export Sub-Committees informed the member that the Chamber had not given any ruling on the points which must be governed in each individual case, by the particular contract for carriage entered into by the parties concerned. Where, however, there were no specific conditions to the contrary in the Bill of Lading and/or Charter Party, the Committee understood that it was the custom of the trade that steamship companies paid claims for shortages due to bags being cut or torn during transit but that the steamship companies did not admit any liability for shortages due to the mouths and seams of the bags bursting.

DAMAGE TO CONSIGNMENTS OF PROVISIONS FROM AUSTRALIA.

In April 1936, the Melbourne Chamber of Commerce forwarded a copy of a letter received from one of its members with regard to complaints of denting and breakages in consignments of provisions shipped to India.

The Committee, after consulting the Import, Shipping and Export and Docks and Railways Sub-Committees and obtaining the views of local Marine Surveyors, informed the Melbourne Chamber of Commerce that the goods referred to in the complaint were only handled on trays and that any damage which occurred could not therefore be attributable to the use of rope slings. In the opinion of expert local cargo surveyors the fundamental cause of the damage was the type of wood used in the packing

which was of a hard brittle nature and did not hold the nails with the result that the cases were easily broken.

The Committee suggested that the Melbourne Chamber of Commerce should examine the packing in order to confirm the truth of the above criticisms. They also suggested that the Melbourne Chamber might ask the shippers whether they could not further improve the packing where necessary. In this connection it was suggested that the damage might be eliminated by the insertion of strips of corrugated cardboard between the tins and layers.

The Committee added that it was the custom here in Bombay for shipping companies to settle all claims strictly in accordance with the opinion of cargo surveyors who held their surveys on damaged goods in the presence of representatives from both the shipping company and the consignee. No exception was made in the case of provisions from Australia. As this procedure was accepted without dispute almost universally by consignees throughout Bombay—including receivers of goods from Australia—it would be extremely inadvisable to try and interfere with it for the sake of the few exceptions which apparently existed. Admittedly the importers of the particular goods in regard to which the complaint had been made, were in a peculiar position in that they dealt solely with Army Canteens and Army Departments who declined to accept any dented tins and claimed full value for all tins so received. But it was neither practicable nor desirable to adopt a different procedure in dealing with the claims of one concern and it could only be suggested that they should meet shipping and insurance interests by disposing of their damaged tins in the open market with the allowances ordinarily given.

PIECEGOODS SURVEYS.

In April 1936, an enquiry was received from a Bradford firm as to whether a dealer was empowered to cancel a contract when an allowance had been awarded by the surveyors.

The Committee after consulting the Import Sub-Committee intimated that the point raised should be governed by the terms of the arbitration clause in their contract.

The Committee added that the Chamber did not recognise any allowance even ten per cent. or over, as automatically cancelling the contract. Furthermore, the Committee were of opinion that the arbitrators should, in their award, direct how the goods were to be disposed of.

MEASUREMENT OF LENGTH OF PIECEGOODS.

In September 1936, in replying to an enquiry from a member as to the correct and recognised method of measuring the length of cloth, the Committee after consulting the Import Sub-Committee, offered the following remarks:—

The correct method of measuring the length of cloth was that laid down in paragraph 47 of the Merchandise Marks Manual, viz., the measurement should be made along the selvedge.

The length of cloth should be measured from end to end of the piece including one heading and one tail bar—*vide* Chamber's Book of Decisions on Shipping and Mercantile Matters, 1882-1932, page 119.

It was also provided in the Merchandise Marks Manual that all measurements of piecegoods should be made on the table, *cf.* Sea Customs Manual, Second Edition, 1933, page 5, Rule 5.

REFINED SULPHUR CRYSTALS.

Weight Tolerance.

In February 1936, an enquiry was received from a Consular Agent in regard to the custom of the trade in Bombay in respect of the calculation of the tolerance of weight granted under a contract.

The Committee informed the Consular Agent that unless the contract expressly stipulated that a certain number of bags (say 10) was to form one series the whole consignment must be taken as one series and the tolerance had to be calculated over the whole of the consignment and not applied only to a few bags short in weight.

The Committee stated that the custom of the trade in respect of refined sulphur crystals might be illustrated by the following examples :—

Order—100 bags each of 1½ cwts. with 3 lbs. tolerance per bag : Therefore the lowest weight tendered should be—

16,800 lbs. less 300 lbs.	=	16,500 lbs.

Supply—Assuming this to be—

50 bags each weighing 1½ cwts. ..	=	8,400 lbs.
50 bags each 6 lbs. short of 1½ cwts.	=	8,100 ,,
Total ..		16,500 lbs.

In this case no compensation would be payable to the buyer.

If, however, the supply was—

30 bags each weighing 1½ cwts. ..	=	5,040 lbs.
70 bags each 6 lbs. short of 1½ cwts.	=	11,340 ,,
Total ..		16,380 lbs.

The buyer would in the second example be entitled to compensation in respect of 120 lbs. short delivered.

BURSTING OF THE MONSOON.

The Meteorologist, Bombay, informed the Chamber that the date of the burst of the monsoon in Malabar might be taken as 19th-20th May 1936. The monsoon might be

considered to have extended up to and burst in Bombay on the 4th-5th June 1936 and to have established itself on the 11th-12th June 1936.

WEATHER WORKING DAYS.

INTERPRETATION OF TERM.

(*See Report* 1910, *page* 88.)

After consulting the Shipping and Export Sub-Committee the Committee decided, in February 1936, to rescind the ruling of the Chamber given in 1910 in respect of weather working days and recorded on pages 17 and 18 of the Chamber's Book of Decisions (Fifth Edition) and to substitute the following :—

Day or Lay Day is a day of 24 hours. Lay days to count from the expiry of the notice of readiness.

A Working Day is a day other than a Sunday or Charter Party Holiday during the whole or part of which loading and/or discharging is ordinarily carried out in the port.

A Weather Working Day is a working day in which climatic conditions have rendered work possible throughout all or most of the period during which loading and/or discharging is ordinarily carried out in the port.

Half Weather Working Day is a working day in which climatic conditions have rendered work possible throughout half or substantially half of the period during which loading and/or discharging is ordinarily carried out in the port.

Whether a Working Day is to be considered a Weather Working Day or a Non-Weather Working Day is, in the case of vessels working in the Docks, to be decided by the Chamber of Commerce, and in the case of vessels working in the stream, by a special Committee consisting of the Deputy Conservator of the Port, the Harbour Master and a representative of the Chamber and these decisions are to be considered final.

NOTE.—The ordinary working hours of the port are at present from 8 a.m. to 6 p.m. with one hour recess for lunch.

WEATHER WORKING DAYS DURING 1936.

The following days during the monsoon months of 1936 were declared by the Committee of the Chamber to be half or non-weather working days for steamers in the docks :—

Friday,	12th June	1936,	Half-weather	working day.
Monday,	22nd June	1936,	Non	,, ,, ,,
Wednesday,	24th June	1936,	Half	,, ,, ,,
Friday,	26th June	1936,	Non	,, ,, ,,
Saturday,	27th June	1936,	Non	,, ,, ,,
Thursday,	6th Aug.	1936,	Half	,, ,, ,,
Saturday,	22nd Aug.	1936,	Half	,, ,, ,,
Tuesday,	8th Sept.	1936,	Non	,, ,, ,,

The Deputy Conservator, Bombay Port Trust, in consultation with a representative of the Chamber, also declared the following days to be half or non-weather working days in the stream :—

Friday,	12th June	1936,	Half-weather	working day.
Monday,	22nd June	1936,	Half	,, ,, ,,
Friday,	26th June	1936,	Non	,,
Saturday,	27th June	1936,	Non	,, ,,
Tuesday,	8th Sept.	1936,	Half	,, ,, ,,

COTTON FORECASTS IN INDIA.

Dates of Publication.

In November 1936 the Indian Central Cotton Committee informed the Chamber that in connection with the question of the improvement of the accuracy of the cotton forecasts in India, it was desired to ascertain whether the dates adopted at the moment for the publication by the Director-General of Commercial Intelligence and Statistics, Calcutta, of the five all-India (consolidated) cotton forecasts each season required any change in the light of the prevailing sowing and harvesting periods in the different cotton tracts

of India. The Indian Central Cotton Committee accordingly invited the views of the Chamber in the matter.

The prescribed dates for the publication of the all-India cotton forecasts in force at the moment were :—

Name of all-India (consolidated) cotton forecasts published by the Director-General of Commercial Intelligence and Statistics.	*Prescribed date for publication.*	*Remarks.*
1st cotton forecast	August 15	Estimates of area only.
2nd ,, ,, ...	October 15	,, ,, ,,
3rd ,, ,, ...	December 15	Estimates of both area and yield.
4th ,, ,, ... (Final General Memorandum) ..	February 15	Estimates of both area and yield.
5th Cotton forecast (Supplementary Memorandum)	April 15	Estimates of both area and yield.

After consulting the Cotton Sub-Committee of the Chamber the Committee informed the Indian Central Cotton Committee that they were of opinion that no change in the dates was necessary.

STANDARDIZATION OF WEIGHTS AND MEASURES IN INDIA.

At the annual general meeting of the Associated Chambers of Commerce of India held in Calcutta in December 1935 a resolution was moved in the following terms :—

"That this Association urges the Government of India to introduce legislation with the object in view of fixing uniform standards of weights and measures throughout India."

"This Association urges the Government of India to appoint a Committee to enquire into and report on the possibility of any action which could be taken with the object in view of the complete or partial standardisation of weights and measures throughout India."

The resolution was lost by a majority against, the representative of this Chamber opposing on the ground

that other provinces would be well advised to wait and see the result of the Bombay Weights and Measures Act before pressing for similar measures for themselves or for all India. In July 1936 an enquiry was received from the Punjab Chamber as to whether anything had arisen in the interval which had led this Chamber to modify the views then expressed and whether the Chamber would be prepared to extend its support to any modified form of the resolution. Before replying to the enquiry the Committee requested members of the Chamber interested and other Associations in Bombay to inform them whether in their opinion sufficient time had elapsed since the introduction of the Bombay Weights and Measures Act to gauge the effect of the cost of standardisation in those districts of the Bombay Presidency in which it had been introduced. On receipt of the replies the Committee informed the Punjab Chamber that at the outset certain difficulties arose in the working of the Bombay Weights and Measures Act and those difficulties had not been wholly overcome. Moreover, the Act had not been made applicable to all parts of this Presidency and some members of the Committee did not think the experiment had been tried long enough to enable a proper judgment to be formed. Nevertheless the Committee believed that sufficient progress had been made to justify them in hoping that in the near future it would be possible to fix uniform standards throughout India, always provided that the standards adopted were those in force in the Bombay Presidency, viz., a seer of 80 tolas and a maund of 40 seers.

At a recent meeting of the Governing Body of the Imperial Council of Agricultural Research the need for standardisation of weights and measures was stressed by several members, and it was understood that the provinces of Madras, Bengal and Bihar and Orissa had under consideration measures to that end. The Bengal Chamber had suggested that the Bill before the Bengal Legislative Council should be amended to render the provisions of gradual and ultimate, instead of immediate, adoption, so as to permit

of the new standards being introduced at first in a few of the main towns and gradually extended to suburban and rural areas. This was the method that had been adopted in Bombay, and the Committee suggested it should be applied in other provinces.

The Committee stated, that they would prefer that legislation should be undertaken centrally in order to ensure uniform standards being adopted throughout British India. Such a measure would, they thought, be all to the good, although the date and extent of its application should preferably be left to the discretion of Provincial Governments. If a resolution on the above lines was moved at the next meeting of the Associated Chambers, the Committee would be prepared to give it favourable consideration. They hoped that in the interval they might have been able to collect further experience of the working of the Bombay Act which would enable their representative to make a useful contribution to the discussion of the subject.

The Northern India Chamber moved the following resolution at the annual general meeting of the Associated Chambers held in Calcutta in December 1936 :—

"That this Association urges the Government of India to introduce legislation with the object in view of fixing uniform standards of weights and measures throughout India."

The resolution was supported by the representative of the Bombay Chamber and was carried unanimously.

BOMBAY WEIGHTS AND MEASURES ACT.

(*See Reports*, 1906, *pages* 116, 487 ; 1908, *page* 110 ; 1910, *page* 99 ; 1912, *pages* 118, 646 ; 1913, *pages* 45, 300 ; 1914, *pages* 50, 398 ; 1915, *pages* 68, 422 ; 1920, *Vol. I, page* 201 ; 1922, *Vol. I, page* 306 ; 1924, *Vol. I, page* 344 ; 1932, *page* 114 ; 1933, *page* 98 ; 1934, *page* 68 ; *and* 1935, *page* 66.)

A Bill to amend the Bombay Weights and Measures Act, 1932, was introduced in the Council on 3rd October 1936.

In the statement of objects and reasons attached to the Bill it was mentioned that under section 27 (1) of the Bombay Weights and Measures Act, 1932, only those local bodies which were authorised to stamp weights and measures and weighing and measuring instruments could charge fees for verification, reverification and adjustment of weights or measures or weighing or measuring instruments. The Director of Industries reported that several local bodies had been charging these fees even though they had not been authorised to stamp weights and measures and weighing and measuring instruments. It was therefore considered necessary to amend the Act in order to give power to the local bodies to charge such fees in future, and also to validate the recoveries of fees made so far. Clause 2 of the Bill sought to carry out this object.

Section 35 of the Act made it an offence to deliver a less weight or measure than what was purported to be sold. As the strict interpretation of this penal provision was likely to cause great inconvenience to several trades, it was considered desirable to allow tolerances similar to those allowed by the Government of India under section 16 of the Indian Merchandise Marks Act, 1889, by empowering Government to prescribe the amount of error which might be tolerated in selling articles by weight or measure generally or as regards any trade or class of trades. Clauses 3, 4 and 5 of the Bill were intended to carry out this object.

After carefully considering the proposals the Committee informed the European Group, Bombay Legislative Council, that they approved of the provisions of the Bill. With regard to clause 5 the Committee thought it reasonable that Government should be given power to prescribe tolerances similar to those allowed by the Government of India under the Merchandise Marks Act.

REGISTRATION OF TRADE MARKS IN INDIA.

(*See Reports*, 1876-77, *page* 27; 1877-78, *page* 33; 1878-79, *page* 38; 1879-80, *page* 38; 1880-81, *pages lxxxviii*, 18; 1883-84, *page* 152; 1890, *pages* 166, 215; 1891, *page* 168; 1896, *page* 96; 1903, *page* 41; 1904, *page* 48; 1906, *pages* 139, 543; 1908, *page* 24; 1909, *pages* 80, 541; 1913, *pages* 111, 697; 1914, *page* 59; 1919, *pages* 73, 459; 1926, *Vol. I, page* 353; 1928, *Vol. I, page* 74; 1931, *Vol. I, page* 317; 1932, *page* 107; 1933, *page* 64; 1934, *page* 50; *and* 1935, *page* 53.)

As will be seen from the Chamber's Report for 1935 the Committee in replying to a reference on the subject from the Associated Chambers of Commerce of India stated that they did not consider it would be unreasonable for the Association to continue to press the Government of India to examine the question of undertaking legislation to provide for the registration of trade marks in India. The Committee were of opinion that the question was of sufficient importance and urgency to warrant the Government of India putting an officer on special duty, if necessary, for the purpose, in order that there might not be further delay.

The Associated Chambers accordingly enquired of the Government of India as to what was the position in regard to the contemplated legislation to provide for the registration of trade marks as a result of the special examination of the subject by Government in their review of the existing body of commercial legislation in India.

The Government of India in reply stated that they had in hand the questions of the revisions of the Company and Insurance Law and had had to defer further active consideration of the question of trade marks legislation till these more urgent matters were disposed of.

The Committee informed the Associated Chambers that they were still of opinion that the question was of sufficient importance and urgency to warrant the Govern-

ment of India putting an officer on special duty, if necessary, for the purpose of examining the question of undertaking legislation for the registration of trade marks in India, in order that there might not be further delay.

The following resolution was moved on behalf of the Bombay Chamber and carried, unanimously at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 21st and 22nd December 1936 :—

"That in the opinion of this Association the Government of India should take steps without delay to enact legislation for the Registration of Trade Marks in India in such a manner as will give the registered user of any mark the right to immediate injunction preventing the use of such mark or any colourable imitation thereof by others subject only to proof of prior usage by the defendant in any dispute."

BOMBAY COURT OF SMALL CAUSES.

In July 1936 the Government of Bombay, Home Department, asked for the views of the Chamber on a representation that had been received from the Bombay Advocates Association urging on Government the desirability of closing the Small Cause Court, Bombay, at 2 p.m. on Saturdays like other Government offices and business houses in Bombay.

Government stated that the representation had been supported by the Indian Merchants' Chamber, the Maharastra Chamber of Commerce, the Grain Merchants' Association and the Seeds Traders' Association.

The Committee in reply informed Government that they were in favour of the proposal to close the Small Cause Court at 2 p.m. on Saturdays, subject to such arrangements as Government might see fit to make to deal with urgent work on that day.

PUBLIC AND CHARTER PARTY HOLIDAYS.

The Government of Bombay declared Tuesday, the 23rd June 1936, to be a public holiday under the Negotiable Instruments Act, on account of the birthday of His Imperial Majesty King Edward VIII. The Committee of the Chamber also declared Tuesday, 23rd June 1936, to be a holiday under Charter Parties.

EXHIBITIONS AND FAIRS.

Papers in connection with the following Exhibitions and Fairs were received by the Chamber during the year under review and were placed at the disposal of members :—

Bihar and Orissa Provincial Exhibition, Patna, 9th to 24th February 1936.

All-India Handweaving Exhibition, Patna, 9th to 24th February 1936.

Levant Fair, Tel Aviv, Palestine, April 1936.

Dhanbad Exhibition, 26th February to 17th March 1936.

Swiss Industries Fair, Basle, 18th to 28th April 1936.

Netherlands Industries Fair, Utrecht, 10th to 19th March 1936.

International Exhibition, Calcutta, 1937-38.

16th Commercial Fair, Brussels, 1st to 15th April 1936.

Poznan International Industries Fair, 26th April to 3rd May 1936.

Empire Exhibition, Johannesburg, South Africa, 15th September 1936 to 15th January 1937.

Paris Fair, 16th May to 2nd June 1936.

Indian Empire Exhibition, Bangalore City, 10th to 25th April 1936.

Nagoya Pan-Pacific Peace Exhibition, 15th March to 31st May 1937.

The United Provinces Industrial and Agricultural Exhibition, Lucknow, 5th December 1936 to 4th February 1937.

Sri Chitra Exhibition, Trivandrum, Travancore, November 1936.

British Industries Fair, London, 15th to 26th February 1937.

The World Two-Way Trade Fair, New York City, 23rd November to 5th December 1936.

International Exhibition of Paris, 1937.

7th Jammu and Kashmir State Exhibition, 5th to 26th September 1936.

The Burma Arts, Crafts and Industrial Exhibition, Rangoon, from 17th February to 28th February 1937.

Empire Art Exhibition, London, May 1937.

LIST OF ACTS AFFECTING COMMERCE AND INDUSTRY PASSED BY THE INDIAN LEGISLATURE DURING THE YEAR 1936.

CENTRAL LEGISLATURE.

I. Italian Loans and Credits Prohibition.
II. Salt Additional Import Duty (Extending).
IV. Payment of Wages.
V. Decrees Orders Validating.
VI. Cochin Port.
VII. Indian Aircraft.
VIII. Factories (Amendment).
IX. Indian Lac Cess (Amendment).
X. Indian Tariff (Amendment).

XI. Indian Mines (Amendment).

XII. Indian Tariff (Second Amendment).
The Indian Finance.

XIII. Indian Tea Cess (Amendment).

XIV. Geneva Convention Implementing.

XV. Indian Rubber Control (Amendment).

XVII. Indian Tea Control (Amendment).

XX. Chittagong Port (Amendment).

XXI. Code of Civil Procedure (Amendment).

XXII. Indian Companies (Amendment).

BOMBAY LEGISLATIVE COUNCIL.

I. Bombay Prevention of Gambling and City of Bombay Police (Amendment).

III. Bombay Finance (Amendment).

IV. Cotton Ginning and Pressing Factories (Bombay Amendment.)

IX. Bombay Port Trust (Amendment).

XII. City of Bombay Municipal (Amendment).

XIII. City of Bombay Municipal (Amendment).

CHAMBER'S ACCOUNTS

In presenting the Chamber's accounts for the year 1936 the Committee would draw attention to the fact that there is again a fall in the total subscriptions received for statistical returns, the decrease, compared with 1935, amounting to Rs. 2,814. Measurement fees show an increase of Rs. 6,089 and fees for Certificates of Origin an increase of Rs. 2,250.

The improvement in the state of the Chamber's finances made it possible for the Committee to restore, with retrospective effect from 1st January 1936, the Chamber's contribution to the Provident Fund to the former level of 8¼ per cent. of the members' salaries.

As the accounts show, the excess of income over expenditure for the year 1936, after the restoration of the cut in the Chamber's contribution to the Provident Fund, was Rs. 3,061-14-0.

L. A. HALSALL,
President.

J. F. MACDONELL,
Member of Committee.

R. J. F. SULIVAN,
Secretary.

BOMBAY, *2nd March* 1937.

THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Balance Sheet as at 31st December 1936.

LIABILITIES.	Rs. a. p.	Rs. a. p.
Sundry Creditors—		
Bank Overdraft	.. .	22,007 7 5
Outstanding Bills—		
Bills in respect of Centenary Dinner, Railway Contribution, Stationery, Books and Periodicals, Audit Fees and miscellaneous Printing, etc.,	....	888 13 0
Chamber's Contribution to Provident Fund	....	4,289 0 0
Advance Receipts—		
Subscription to Publications ..	15 0 0	
Subscription to Special Statistics	156 0 0	
Arbitration Fees and Stamp Duty in connection therewith	75 0 0	246 0 0
Chamber of Commerce Accumulated Fund—		
Balance on 31st December 1935	1,34,024 0 5	
Add—Excess of Income over Expenditure as per annexed Account	3,061 14 0	1,37,085 14 5

ASSETS.			Rs. a. p.	Rs. a. p.
Office Furniture—				
Estimated value as on 31st December 1928			7,860 0 0	
Additions up to 1935			6,170 9 0	
Additions during the year			160 0 0	
			14,190 9 0	
Less—Sale Proceeds up to 1935			335 0 0	
			13,855 9 0	
Less—Depreciation written off :—				
	Rs. a. p.			
In previous years	8,421 14 4			
This year	1,379 14 2			
			9,801 12 6	4,053 12 6
Statistical Furniture—				
Cost to 31st December 1935			3,575 4 0	
Less—Depreciation written off :—	Rs. a. p.			
In previous years	1,243 1 0			
This year	894 3 0			
			2,137 4 0	1,438 0 0
Office Motor Car—				
Cost to 31st December 1934			2,979 0 0	
Less—Depreciation written off :—				
In previous years	1,490 0 0			
This year	744 0 0			
			2,234 0 0	745 0 0
INVESTMENTS.		Value on 31st December 1936	Cost Price.	
		Rs. a. p.	Rs. a. p.	
5 per cent. 1939-44 Loan for Rs. 85,300		92,870 6 0	82,314 8 0	
5 per cent. Government Income Tax Free Loan 1945-55 for Rs. 71,000 ..		86,131 14 0	71,000 0 0	
		1,79,002 4 0		
Less—Appreciation		25,687 12 0		
		1,53,314 8 0	1,53,314 8 0	

			40 Shares in Bombay Telephone Company, Limited ..	1,730 0 0	1,55,044 8 0
			Interest accrued on Investments	....	2,401 11 0
			Special Statistics Subscription—outstanding	....	43 0 0
			Sundry Bills recoverable since received	....	425 0 0
			Advance Payments—		
			Expenses regarding the History of the Chamber ..	....	228 0 10
			Deposits with—		
			Government of India Publication Branch	100 0 0	
			Indian Post and Telegraph Trunk Call Office ..	10 0 0	110 0 0
			Cash in hand	....	28 2 6
Total Rs. .	...	1,64,517 2 10	Total Rs. ..	....	1,64,517 2 10

L. A. HALSALL,
President.

J. F. MACDONELL,
Member of Committee.

R. J. F. SULIVAN,
Secretary.

BOMBAY, *2nd March* 1937

THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Dr. *Income and Expenditure Account for the year ended 31st December 1936.* *Cr.*

EXPENDITURE.	Rs.	a.	p.	Rs.	a.	p.	INCOME.	Rs.	a.	p.	Rs.	a.	p.
To—							By—						
Subscription to Weather and Crop Reports	51	8	0				Membership Subscriptions 1935	70	11	1			
Membership Subscription to the Federation of Chambers of Commerce of the British Empire	27	14	0				Membership Subscriptions 1936	70,560	0	0			
Membership Subscription to the Associated Chambers	640	0	0								70,630	11	1
Legal and Other Expenses in connection with evidence before the Joint Parliamentary Committee	1,280	0	0				Statistical Returns	30,077	9	0			
				1,999	6	0	Special Statistical Returns	6,265	8	0			
Chamber Office.							Statistical Miscellaneous Receipts	322	0	0			
Salaries	66,362	12	2								36,665	1	0
Rent	7,200	0	0				Measurement Fees	86,622	3	0			
Printing Miscellaneous Papers, Annual Report for 1935, etc.	5,214	0	3				Miscellaneous Receipts	464	0	0			
Advertisements	62	0	0								87,086	3	0
Books and Periodicals	656	14	3				Arbitration Fees	....			450	0	0
Stationery	858	2	6				Fees for issuing Certificates of Origin, etc.	....			5,572	0	0
General Charges	1,675	9	0				Fees for issuing Force Majeure Certificates	....			25	0	0
Telephone Charges	535	0	0				Miscellaneous Receipts	....			182	12	0
Fire Insurance Premium	14	1	0										
Contribution to the Provident Fund	4,965	0	0										
Law Charges	653	14	0										
Audit Fee	250	0	0										
Motor Car Upkeep	2,023	6	0										
Port Trust Ground Rent	100	0	0										
Furniture Depreciation	1,379	14	2										
Motor Car Depreciation	744	0	0										
				92,694	9	4	Interest on Investments	8,129	13	9			
Statistical Department.							*Less*—Income Tax and Bank charges	960	3	5			
Salaries	20,652	0	0								7,169	10	4
Statistical Typists' Salaries	4,524	0	0										
Cost of Cyclostyling Returns	3,766	9	9										
Printing Returns	8,686	0	0										
Contribution to the Railway	1,651	9	0										
Books and Periodicals	59	12	0				Dividends	....			160	0	0
Stationery	362	9	6										

Petty Charges	465 7 9		
Contribution to the Provident Fund ..	1,970 0 0		
Furniture Depreciation	894 3 0		
		43,032 3 0	
Measurement Department.			
Salaries	54,343 0 0		
Printing Charges	988 4 0		
Stationery	115 9 0		
Telephone Rent	280 0 0		
Cost of repairs to Chowkies and Instruments	289 8 0		
Petty Charges	358 9 0		
Contribution to the Provident Fund ..	3,941 0 0		
Pensions and Gratuities	360 0 0		
		60,675 14 0	
Travelling Expenses	635 4 0		
Interest on Overdraft	88 0 0		
Passage	1,803 15 0		
Addresses to Viceroys	525 0 0		
		3,052 3 0	
Restoration of Sir Frank Forbes Adams's Portrait	622 8 0		
Centenary Dinner	597 11 0		
Centenary Bonus to Staff	1,990 13 0		
Upkeep of the Tomb of late Mr. John Marshall	205 4 1		
		3,425 4 1	
		2,04,879 7 5	
Balance, being excess of Income over Expenditure, transferred to Balance Sheet	....	3,061 14 0	
Total Rs. ..	....	2,07,941 5 5	Total Rs. 2,07,941 5 5

REPORT OF THE AUDITORS TO THE MEMBERS.

We have audited the foregoing Balance Sheet of the BOMBAY CHAMBER OF COMMERCE as at the 31st day of December 1936, and also the foregoing Income and Expenditure Account for the year ended upon that date, and report that—

(*a*) we have obtained all the information and explanations which we have required;

(*b*) in our opinion, the foregoing Balance Sheet and Income and Expenditure Account are drawn up in conformity with the law;

(*c*) such Balance Sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of our information and the explanations given to us and as shown by the books of the Chamber, and

(*d*) in our opinion, books of account have been kept by the Chamber as required by S. 130 of the Indian Companies Act.

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants.

BOMBAY, *2nd March* 1937.

L. A. HALSALL,
President.

J. F. MACDONELL,
Member of Committee.

R. J. F. SULIVAN,
Secretary.

THE BOMBAY CHAMBER OF COMMERCE PROVIDENT FUND.

Statement of Accounts from 1st January to 31st December 1936.

	Rs. a. p.	Rs. a. p.	Rs. a. p.
By Balance at Credit of this account on 31st December 1935 ..	....	....	4,22,296 3 9
Add—			
Subscriptions received from Members	.. ..	10,978 5 4	
Contributions paid by the Chamber of Commerce	....	10,876 0 0	
Interest	....	19,322 9 5	
			41,176 14 9
			4,63,473 2 6
Deduct—			
Claims paid to Members	....	11,809 9 7	
Non-refundable withdrawals (Rule 28 (4))	....	537 9 0	
Transferred to Lapses and Forfeitures account	....	1,642 3 10	13,989 6 5
To Balance at Credit of this Account on 31st December 1936 ..	....	....	4,49,483 12 1
Add—By Balance at credit of Lapses and Forfeitures account on 31st December 1935	....	8,472 14 7	....
Additions during the year	....	1,642 3 10	10,115 2 5
			4,59,598 14 6

Held thus—

INVESTMENTS.	Value on 31st December 1936.			Cost Price.			
	Rs.	a.	p.	Rs.	a.	p.	
3 per cent. Government Bonds, 1941, for Rs. 17,600 ..	18,491	0	0	17,943	8	0	
3 per cent. Government Loan, 1951-54 for Rs. 7,500 ..	7,767	3	0	7,293	12	0	
3½ per cent. Government Loan, 1947-50, for Rs. 87,300 ..	93,792	15	0	85,977	0	0	
4 per cent. Government Loan, 1960-70, for Rs. 1,11,500 ..	1,28,782	8	0	1,10,576	2	0	
4½ per cent. Government Loan, 1955-60, for Rs. 26,000 ..	31,265	0	0	24,415	0	0	
5 per cent. Government Loan, 1939-44 Bonds, for Rs. 70,700	76,974	10	0	64,241	14	0	
5½ per cent. Government Loan, 1938-40, for Rs. 1,14,000 ..	1,22,478	12	0	1,14,555	15	0	
2¾ per cent. Government Loan, 1948-52 for Rs. 10,000 ..	10,143	12	0	10,187	8	0	
	4,89,695	12	0	4,35,190	11	0	
Less—Appreciation in Value of the above Securities	54,505	1	0				
	4,35,190	11	0	4,35,190	11	0	
Interest accrued on Investments	....			5,577	12	4	
Amount due by the Chamber of Commerce since received ..	....			4,289	0	0	
Amount due by Members	....			4,937	0	0	
Cash in the Imperial Bank of India	....			9,604	7	2	
							4,59,598 14 6

Examined and found correct.
A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants,
Auditors.

L. A. HALSALL,
President.

J. F. MACDONELL,
Member of Committee.

R. J. F. SULIVAN,
Secretary.

BOMBAY, *2nd March* 1937.

Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1936

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CENTENARY OF THE CHAMBER.

His Excellency the Governor's Speech at the Chamber of Commerce Centenary Dinner on 19th November, 1936.

MR. PRESIDENT AND GENTLEMEN,—The Centenary of a body like the Bombay Chamber of Commerce is a milestone in the commercial history of Bombay, and to give an adequate account or even a summary of the activities of the Chamber in the last hundred years is the work of a historian rather than of an after-dinner speaker. Anyhow I intend to leave that task to persons more intimately acquainted with the Chamber's past than I am, and I am very glad to learn that a history of the Chamber is being written. The present is a very fitting time for its appearance and I have little doubt that it will be of absorbing interest to all lovers of Bombay.

When the Chamber was founded it embodied practically all the non-governmental activities of the port and city. As trade increased and manufactures developed commerce necessarily became more complicated and specialized, and individual organizations took charge of particular interests, but the Chamber has remained the parent institution and the guardian of general commercial interests. Until 12 years ago the Bombay Millowners' Association was affiliated, and until 1916* the East India

* *Note.*—The Bombay Cotton Trade Association Ld. had its offices in the rooms of the Chamber, and had a joint staff arrangement with the Chamber from its formation in 1873 till April 1917, when the Association decided to open an office of its own and to inaugurate a Cotton Clearing House. The connection between the Bombay Cotton Trade Association and the East India Cotton Association is explained in the inscription on the tablet in the Trading Hall of the Cotton Exchange at Sewri which reads as follows :—

"The joint control of the Bombay Cotton Trade Association Limited and the Bombay Cotton Exchange Limited was superseded on the 26th June 1918 by the Cotton Contracts Committee, which was transformed into the Cotton Contracts Board on the 25th January 1919.

"The Cotton Contracts Board was replaced by the East India Cotton Association Limited on the 1st June 1922."

Cotton Association was a branch of the Chamber. These institutions do not now work under the authority of the Chamber but, like other grown-up children, they must admit its paternity. Its widespread influence is recognized by its representation on the managing committees of the Port Trust and Municipal Corporation. The trade of Bombay is of vital importance to these bodies and they are naturally wholehearted supporters of the Chamber in the action taken by it, for example, to make known and resist the diversion of trade from the Port of Bombay.

A feature of the Chamber's policy in the past has been the far-sightedness with which it has encouraged enterprises far away from Bombay which were likely to improve trade and communications generally and thereby increase the volume of goods passing through Bombay and the speed of their passing. To the founder and first chairman, John Skinner, must be given the credit of showing the way. Not only was he largely instrumental in founding the Bank of Bombay, a domestic concern, but he also warmly encouraged the development of the overland route to India in place of the journey via the Cape. The Chamber followed his example by getting the first railway in India built. It also associated itself with early reclamations. I am not sure whether the Chamber to-day is so enthusiastic about reclamation but in 1860 they had certainly devised a scheme for reclaiming Back Bay, and it is as well to remember that the old cotton greens, the docks and a great proportion of the buildings in Colaba and Sewri are standing on reclaimed land.

I hope that this far-sighted and enlightened outlook on affairs will mark the Chamber's deliberations in the future. Occasions are bound to arise, under all popular forms of government, when it may seem worth while to obtain a temporary advantage by yielding to political pressure at the expense of sound commercial principles. Any deviation from these principles is bound, ultimately, to recoil not only

on those who have yielded to the pressure but on the community generally. I am confident that, under the new political dispensation, the Chamber will continue to maintain the high standard in the commercial life of the City which it has always striven to maintain in the past, and that its relations with the new Government will be as cordial and as frank as they are at present.

I have mentioned the history of the Chamber which is being written. I have been privileged to see some of its draft contents in advance. From these I have learned much of the remarkable family of Skinner, one member of which founded your Chamber, while another raised a regiment of horse.

I learn too that my predecessor of 100 years ago, Sir Robert Grant, under whose auspices the Chamber was founded was slow in action but of great sagacity and determination once he had found an object which was worth while. He was also a noted hymnologist and was the author of some of our most rousing hymns. While I make no claim whatever to emulate him in this last respect, I should like in conclusion to echo his words in reply to the letter informing him of the foundation of the Chamber :—

"The Governor will be gratified at receiving from the Society any suggestion or communication directed to the advancement of the commerce or the improvement of the resources of the Bombay Presidency or of British India."

This has always been my attitude and I can only assure you of the interest I shall always take in your welfare, and of my wish for your increasing prosperity.

The President's (Mr. A. L. Halsall's) reply.

As His Excellency has very kindly agreed to open the batting this evening, the first thing I wish to do now that my opportunity has come is to extend to him on behalf of all the members of the Bombay Chamber of Commerce a very cordial welcome to this evening's function. The

second thing, and I know you will support me in this also, is to express to him our keen appreciation of the honour he has done us by proposing the toast of the Chamber, and our thanks for the kind words which he used in proposing it

This is a great day in the history of an old, and I make bold to claim, an honourable institution. I am one of those, and there are more than a few, who feel some pride in the Chamber of Commerce, and I would be rather less than human if I refused to confess to feeling a little thrilled that, by a turn of Fortune's wheel, I happen to be President at this time.

The actual day of the anniversary, as you know, was September 22nd. Members have been advised of the numerous congratulatory messages received, including one from His Excellency the Viceroy. These were suitably acknowledged but I would like to take this opportunity of saying again on behalf of the Committee and members of the Chamber how gratified we were to receive those messages.

His Excellency has mentioned some of the activities of the man who was mainly responsible for the founding of this Chamber of Commerce and in celebrating this evening the centenary of that event, we are paying tribute to the memory of John Skinner and the nine others, among them three Indian gentlemen, who supported him. It is surely a sign of the foresight and broad outlook of those men that very many of the rules for the conduct of the Chamber's affairs which they drew up a hundred years ago are in force to-day, unchanged in any particular. My only complaint against them is that they were just a little too impetuous. Had they deferred the inauguration until November 1836, it might have been possible for us to hold this Centenary dinner on the actual anniversary of the day, instead of two months later.

Skinner must have been a very remarkable man. Before he died at the early age of 44, he had founded his own firm in Bombay, founded the Chamber of Commerce, and,

as His Excellency has said, was largely instrumental in the establishment of the old Bank of Bombay (a meeting with that object in view was held in his office in December 1836). Then he went to Calcutta and jointly with Jardine started the well-known firm of Jardine, Skinner & Co. When I reflect on what I have achieved in exactly the same number of years, it drives me into the depths of depression.

His Excellency has referred to the Chamber as the original guardian of general commercial interests. We have always taken credit, and I hope with some justification, for refusing to sink sound commercial principles to political expediency, and I was very pleased to hear His Excellency say that Government recognize and appreciate that. Had it been otherwise the Chamber would not occupy the postion it does to-day in the counsels of this country. That position I think you will agree is in a very large measure due to the wise guidance of those men—Presidents, Vice-Presidents and members of Committee—who were Skinner's successors and our predecessors. May I just recall to your minds this evening a few of them—I have only taken from the records the names of those who occupied the office of President for a number of years. Outstanding among them was Sir Frank Forbes Adam, who was President continuously for the seven years 1883 to 1889. His record was equalled—though not in a continuous period—by Sir Charles Armstrong who was in charge in 1904, 1905, 1907, 1909 and 1911-13. Then there was Mr. Forrest in the years 1890-92. Mr. Macdonell's father followed on and he was President for another three years from 1893-95. In 1897 it was Sir John Abercrombie's father and again in 1899, and for another three years—1900-02—the President was Mr. Greaves who is a Managing Director of my company and is still working in our London office. Finally, may I come down to more recent years, and ask you not to overlook the ex-Presidents who are here to-night—Sir Joseph Kay in 1926, Sir Geoffrey Winterbotham in 1929 and again in 1934, and Sir John Abercrombie in 1930 and 1935. Another, who is not here

this evening as he is taking a well-earned holiday, is Sir Leslie Hudson. He was President in 1924 and 1927.

We must also remember the very great help and encouragement the Chamber has received from the several distinguished men who have been Governors of this Presidency. The Chamber was started under the auspices of Sir Robert Grant who, His Excellency has said, was slow in action. If I may say so, I think His Excellency has put that rather mildly. History records of Sir Robert Grant that he was noted for dilatoriness in dealing with petitions, so much so that when applications went into Parel, it was never known when a reply would be received, and it was then that Parel was nicknamed "Chancery." We are more fortunate to-day—we also receive help and encouragement from a Governor of Bombay, but one against whom a charge of dilatoriness can never be laid.

In another way also I am led to infer that the Chamber is to-day more fortunate than in its early years, and that is in the number of men who, when called upon, willingly lend their services. To-day those services are given voluntarily. A hundred years ago it would seem a certain amount of coercion was necessary, as those who were so foolhardy as to refuse an invitation to serve on the Committee were fined Rs. 20. Nor was that all. Even if they agreed to serve and thereby escaped that fine, they were liable to a fine of Rs. 10 for failure to attend Committee meetings to which they had been duly summoned, unless they were able to give an adequate explanation of their absence. The fines were actually inflicted, but that method of forming a Committee and ensuring that there was a quorum at the meetings was abandoned about 1851.

His Excellency has told us that the Chamber was largely responsible for the first railway built in India. This, I believe, was the Bombay-Thana railway completed in 1853. The question of railways in India in which the

Chamber has always taken a keen interest once led to a slight breeze with Sir Richard Temple when he was Governor of Bombay. The Committee had always been supporters of broad-gauge railways but Sir Richard was an advocate of the narrow-gauge. A meeting was held in the Town Hall, at which the Chamber was represented by its President and others, and various hard things about Government and Government servants were said. Eventually it was resolved to send a deputation to His Excellency. Unfortunately the proceedings of the meeting reached him in advance of the deputation and when the latter arrived he proceeded to remonstrate with them about the attacks made on Government at the Town Hall meeting and asked them to remember that servants of the Crown were drawn from much the same class as themselves.

There were 25 original members of the Chamber, of whom 10 were Indian firms. No one of these is in existence to-day under the same name, but there must be several members who can trace their descent from some of those firms. Perhaps it will not be out of place this evening if I tell you briefly about one or two in respect of which I have been able to gather some information. In this I have been greatly assisted by our learned Secretary who, as a result of his researches in connection with the history of the Chamber which he is writing, is now steeped in ancient lore. One, of course, was Skinner & Co., but they ceased business in Bombay when John Skinner died in Calcutta in 1844. Another was William Nicol & Co. They were the agents of the British India Steam Navigation Company before Mackinnon Mackenzie & Co., and Nicol Road is named after them. They were also the owners of the Byculla Ironworks and they came to grief at the time of the Glasgow Bank failure somewhere about 1878. Their works manager named Cruddas, carried on the business as J. Cruddas & Co. for a time, until Mr. Richardson, who had his own works at Nesbit Road, bought the business and started the firm of Richardson & Cruddas in 1881. Cruddas stayed for a year

or so and then the business came under the sole ownership of the Richardson family as it is to-day. Wm. Nicol & Co. also floated a concern which began to reclaim the Eastern foreshore northwards from Carnac Bunder for the building of docks and so may perhaps be called the Pioneers of the Port Trust.

The Chamber has been represented on the Port Trust and intimately connected with it since its inauguration in 1873. . Several years before then they had recommended that a Harbour Board should be appointed, on which commercial interests should be represented. The Chamber Committee were greatly concerned in those early days about the number of wrecks that were occurring in Bombay Harbour and its approaches, and were continually pressing for an increase in the pilotage establishment. About 1857 they complained that there were 14 or 15 vessels leaving in one day and only six pilots available. For a long time their request went unheeded, but later two additional pilots were appointed.

Another result of the persistent badgering of the authorities concerned is the lighthouse on Kennery Island. It was in 1839 that the Chamber first urged that this aid to navigation should be erected. It was done thirty years later, in 1869.

His Excellency has also referred to a scheme for reclaiming Back Bay which was devised in 1860. It is perhaps of interest to note that this scheme was promoted by a firm who were original members of the Chamber—Ritchie Stewart & Co. The scheme came to grief in 1865 and so, I gather, did Ritchie Stewart & Co. They were taken over by Forbes & Co. whose direct successors are Forbes, Forbes Campbell & Co., Ltd. Forbes & Co. were established in Bombay about 1767 and I believe Forbes, Forbes Campbell & Co. can therefore claim to be the oldest established firm of East India merchants in this country to-day. May I

say how pleased I am to see so many members of their staff here to-night. Together with three other firms, Forbes & Co. were granted certain privileges by the East India Company and whether on this account or not I cannot say, but they appear to have been able to get through the first 100 years of their existence without the help of the Chamber of Commerce, because it was not until 1867 that Forbes & Co. became members. It is suggested that the financial disasters of that time may have been what caused them to run for shelter.

Gillanders Arbuthnot & Co. were already established in Calcutta before 1836 and in that year they opened in Bombay as Gillanders Ewart & Co., another firm who were original members of the Chamber. Gillanders Ewart & Co. were the forerunners of my firm. The name was changed to Ewart Lyon & Co. and some years later to Ewart Latham & Co., under which name it continued until 1921. An offshoot of the firm of Ewart Latham & Co. was Sir John Abercrombie's firm—Latham Abercrombie & Co., now Wilson Latham & Co., Ltd.

May I make just one reference to another firm at present in Bombay which although not an original member of the Chamber was, I think, connected with it from the outset. I am alluding to Craigie Blunt & Caroe. Their name in those early days was Acland & Acland and they have been solicitors to the Chamber since it was established.

I have endeavoured, but so far without success, to trace a direct relationship between some of the Indian firms who were original members of the Chamber and any who are operating in Bombay to-day. But there is one personal relationship which is, I imagine, the longest of all those in Bombay to-day, whether Indian or European. I refer to our friend Sir Ness Wadia. He was a member of his firm when they joined the Chamber 44 years ago. There are to-day about 20 Indian firms members of the Chamber and

although, as I have said, I think Sir Ness probably holds the personal record, the first of our present Indian members to join the Chamber were Narandas Rajaram & Co., the firm with which Sir Purshotamdas Thakurdas is now associated. They joined in 1883. Sir Ness Wadia's firm joined in 1892 and Tatas in 1894. We have several distinguished members of the latter firm here this evening; among them Mr. J. R. D. Tata who is a very valuable member of the Chamber Committee. I would like to take this opportunity of saying that it is a source of great satisfaction to me and many others that we have him on the Committee this year.

Now, I think I have trespassed on your time and tried your patience quite long enough. In conclusion I want only to convey to His Excellency on your behalf and my own, our very cordial thanks for the toast he has proposed and for his kind wishes for the future welfare of this (to use words of the letter addressed to the Government of Bombay on 30th September 1836) "Society for the promotion and protection of trade and other objects, under the designation of the Bombay Chamber of Commerce."

Speech of the Vice-President (Mr. A. K. G. Hogg) in proposing the health of the Guests.

MR. CHAIRMAN, YOUR EXCELLENCY AND GENTLEMEN,—It is my privilege to-night to propose the health of our guests, but in doing so it is with a certain amount of trepidation as I feel that I cannot pay adequate tribute to those distinguished guests who have honoured us by their presence and whom we gladly welcome.

I can assure His Excellency that we are deeply grateful to him for attending this function to celebrate the Centenary of the Chamber, and that we do appreciate the very great interest which he has always shown in the commercial life of the City.

Gentlemen, we also have with us a prominent, and at the same time a most popular official, Sir Robert Bell. As Sir Robert Bell is replying to this toast, I had better act with caution, but I say straightaway, that I have come across nothing which he might like me to hide. As a matter of fact, everything has been in his favour and if I were to repeat all that I have heard and all that I myself know about him, he might feel rather embarrassed. Any references which have been made to Sir Robert have always received careful consideration, and we are grateful to him for his wise counsel. As most of our guests to-night are Government servants, may I be permitted to refer to a remark once made by Sir John Abercrombie who, in referring to Government officials, said that they reminded one of the charming young lady in the story—they are amiable, accessible and accommodating !

Sir John Beaumont, the Chief Justice, has been good enough to join us to-night, but fortunately—I think I may be permitted to use that word—our dealings with him have been few, but if occasion did arise, I don't think any discussion would ensue ! We should have to take what came to us. There was, however, an occasion in 1852 when swords were crossed between the Chief Justice and the Chamber. Apparently the Chamber challenged a passage in a judgment defining the relation of a Bombay Broker and his Principal. Considering His Lordship's remarks extremely inapplicable and calculated to convey a very erroneous and injurious notion as to the capital and position of the English merchants in Bombay, the Committee took immediate steps to publish a statement to that effect in the Press. The Chief Justice afterwards explained that he had in view the cases of insolvent firms which had come before him judicially and that he knew the circumstances of other firms to be different. All was then well.

Another guest with us to-night is Mr. Horsman, Chairman, Upper India Chamber of Commerce, and we

are extremely pleased that he has been able to come to Bombay to attend this dinner. I am sorry to say that Mr. Birley, Chairman of the Madras Chamber of Commerce, who had accepted our invitation, has been prevented at the last minute from attending the dinner to-night. As you know, the Madras Chamber of Commerce celebrated its Centenary on the 29th September, seven days after the Centenary of the Bombay Chamber.

We are very glad to welcome Major-General Scobell as a guest, but perhaps some people may wonder what connection the Chamber of Commerce has with the Army, so perhaps I should tell you of the attempts made by a distinguished soldier in the past to dabble in trade. This is in connection with an incident in the quarrel between Dalhousie and Napier which is found in some papers forwarded to the Chamber by the Government of India. Sir Charles Napier had resigned the post of Commander-in-Chief in December 1850 and was going about making speeches in which he violently attacked the Government. Prior to the departure of Sir Charles Napier from India he was entertained at the Byculla Club and in one of the several speeches which he made that night he told a story about an Armenian merchant whom he had met in the Punjab. This merchant had complained that he was prevented from despatching large quantities of timber from the Punjab to Bombay owing to the refusal of the Government of India to give him the necessary protection. Napier suggested in no uncertain terms that owing to the neglect of the Government of India valuable commercial opportunities were being lost. The Government of India went to the trouble of contradicting Napier's allegations and stated that the merchant had been offered every facility but that he was not in a position to carry out his undertakings.

It is amusing to recall that in reporting the speeches on this occasion the *Bombay Times* remarked that "no

very particular act of indiscretion was committed on the part of the guest." I feel sure that no such statement will be necessary in the *Times* to-morrow morning with regard to Major-General Scobell.

Dr. Matthai is another distinguished guest with us. Dr. Matthai is now Director-General of Commercial Intelligence and Statistics—a post which brings him into close and constant touch with the commercial community. Every year about this time we have the pleasure of meeting the Director-General to discuss the question of tariff valuations for the ensuing year. That meeting takes place to-morrow and it is to be hoped that to-night's conviviality will not interfere with to-morrow's business. At any rate I think I can at least speak for Dr. Matthai as I observe that among his publications is a work entitled "Excise and Liquor Control." Gentlemen, I think you will agree that these contacts between the Chamber and high Government officials make for the smoother running of the wheels both of commerce and the administration.

We welcome Mr. Pillai, the Collector of Customs. Mr. Pillai has just arrived in Bombay and I am sure that under his good guidance the relations between the Chamber and the Customs Department will be as close and harmonious as they have been in the past. As a point of interest I might mention that the meeting at which it was decided to form the Bombay Chamber of Commerce was held in a room in the Old Customs House kindly lent by Mr. Bruce, the then Collector.

We have with us to-night Mr. Wiles, Chairman of the Bombay Port Trust, and your Chairman has already referred to an incident in connection with Pilots, which occurred in 1857. He has told you that an application to increase the number of Pilots was refused. He has, however, omitted to tell you that, according to records, it was

quite customary when the Pilots went on board to find four or five round turns in the hawse, half the crew drunk, and no Captain to give orders. I sincerely trust that when Pilots now board ships to take them to sea, they do not find the same conditions on board as were apparently customary in 1857.

Now with regard to Mr. Gennings who is probably one of the most versatile officers in the Government of Bombay to-day—he is a Barrister and has been a Journalist—his present functions include Commissioner of Labour and Director of Information, Commissioner of Workmen's Compensation and Chief Conciliation Officer. These multifarious duties bring him into close touch with Trade and Industries in Bombay. I am informed by our worthy Secretary that when he is in a difficulty over some knotty point he rings up Mr. Gennings who promptly gives him the answer.

We owe Mr. Gennings a special debt of gratitude. A year or two after the Chamber was founded a postal packet containing trade reports was registered in the London Post Office as "destroyed." This packet had been returned to the Post Office by the addressee until a reference could be made to the Chamber and a reply received as to whether the postage amounting to £70 should be paid. That packet contained the first volume of quarterly reports of the Chamber which unfortunately was allowed to go out of print. This is where Mr. Gennings comes in. He assisted the Secretary by unearthing in the Record Office at the Secretariat a copy of this first report of the Chamber and for this we are indeed grateful to him. By the courtesy of the Government of Bombay this precious volume has now been handed over to the Chamber for safe keeping.

Time does not permit of special reference to our many other guests to-night, but we extend a hearty welcome to

all. I would now ask you to drink to our guests coupled with the name of Sir Robert Bell.

Speech Delivered by the Hon'ble Sir Robert Bell, Home and General Member to the Government of Bombay, in replying to the Toast "Our Guests."

YOUR EXCELLENCY, MR. PRESIDENT AND MEMBERS OF THE BOMBAY CHAMBER OF COMMERCE,—Although I may not be qualified in the matter of eloquence to reply adequately on behalf of all the guests present to-night to the toast which has been so cordially proposed and honoured, I am at least as well qualified by sentiment as any other guest to express the common gratitude of us all. His Excellency in proposing the toast of the Bombay Chamber of Commerce referred to the fact that so many of the guests present are accustomed to look forward to their invitation to the Chamber's Annual Dinner. I am not one of the fortunate so many who have had the privilege of ever being present before at the Chamber's Annual Dinner. For more than 30 years I have read with great interest the accounts of these Annual Dinners and I have often wondered how my contemporaries and those who are younger than my contemporaries and whom I have seen developing into the merchant princes, the captains of industry and the shipping magnates of Bombay dispense their hospitality. Now to-night, for the first time, I am enjoying that hospitality and I am sure that the other guests must feel as gratified as I am to have this honour and enjoyment. If we follow the precedent of Sir Charles Napier by not committing any "particular act of indiscretion" this evening, it is not because we do not feel elevated by the distinction of being your guests.

Mr. Hogg in proposing the toast admitted frankly that he spoke about me with caution. Speaking frankly in reply as one Scot to a brother Scot, I may inform him that I regard his approaches with an equal amount of caution. It may be true that we officials are like Sir John Aber-

crombie's charming young lady friend and that we are both amiable and accessible. But if Mr. Hogg is seriously contemplating that he will obtain accommodation, in the business sense of the word, from any of us to-night, then I may tell him quite plainly that he has not the slightest prospect of doing so.

I have no other message but one of gratitude from your guests to-night, but I did intend to make a brief reference to another matter which is of the deepest concern to every one present who belongs to the City of Bombay. I may say that I am not one of those who have already sent his speech to-night to the press, but I took the precaution of ascertaining beforehand what His Excellency the Governor was expected to say and even went the length of surreptitiously obtaining a copy of his written speech. And now I find that, in proposing the toast which was entrusted to him, he introduced into his speech a good deal of what, for want of a better word, I may describe on the spur of the moment "as extraneous matter" and that he has already dealt with the subject which I had in mind. I had intended to say a few words in connection with the present disturbance of the peace of the city, and although His Excellency has already said something in regard to it, I should still like to add a few supplementary remarks. In the mere stoppage of disorder and the restoration of peaceful conditions I may tell you that both Mr. Rowland, who was acting as Commissioner of Police when the first disturbances took place, and Mr. Smith, since his return from leave, very quickly modified the police methods which are usually adopted for dealing with riots, to suit the peculiar circumstances of the present disturbance. But a problem of as great importance as the restoration of order and of perhaps greater difficulty is the restoration and maintenance of public confidence. Here I should like to say just one word in regard to the use of the military forces. This is not the time nor the place to say anything on behalf of Government in regard to their services; that will be done

in due course, at the appropriate time and in an appropriate manner. But I venture to serve for the moment as an interpreter of public opinion and to say this: that the services of the troops have been of the utmost value in assisting to re-establish public confidence and to maintain it. It is in furtherance also of this object, the restoration and maintenance of public confidence, that Government have arranged to consult, from time to time, representatives of the three leading commercial associations in Bombay. There have been peace committees in the past, but the committee constituted by the three commercial bodies has a different outlook from previous peace committees. Government believe that those whose interests are bound up in the business, trade and commerce of Bombay are the best qualified to advise them, for example, when they are considering any modifications or relaxations of the precautions, such as the Curfew Order, which are now in force. The commercial community naturally desires as earnestly as Government does to restore conditions under which business, trade and commerce can be carried on in security, peace and with confidence, and are specially qualified to advise when restrictions on the movements and lives of the citizens can be relaxed with safety.

I am sorry to have "handed out" some rather heavy stuff this evening, and not to have spoken in a lighter vein. But as you are aware I belong to a nationality whose members are reputed to joke with difficulty. Sidney Smith is reported to have said that 'it required a surgical operation to get a joke into the head of a Scot.' What he actually said was—' there is humour in the head of a Scot, but to get it out you must use a corkscrew.'

Gentlemen, on behalf of all your guests, I thank you once again for your magnificent hospitality to-night and for the great kindness which you have shown to us by the manner in which you accepted the toast proposed by your Vice-President.

DEATH OF HIS MAJESTY KING GEORGE V.

Letter No. 296/73 from the Chamber of Commerce, dated 30th January 1936, to the Government of Bombay.

I am directed to address you on the subject of the arrangements made in connection with the memorial service for his late Majesty King George V, held in St. Thomas's Cathedral on Tuesday afternoon.

2. The first intimation of the service appears to have been given in the evening paper of Saturday, 25th instant, when it was stated that admission to the Cathedral would be by ticket only, but it was not made clear to whom application should be made until the following morning when the Chief Secretary to Government was mentioned as the proper authority. Many of those who applied to the Chief Secretary either received no reply at all or were referred to the Ecclesiastical authorities. There appears to have been little or no liaison between the various authorities and very few members of the non-official public were successful in obtaining tickets. Several members of my Committee failed even to receive replies to their applications although they were sent in as soon as the circumstances permitted, and the report that appeared in the *Times of India* of the 29th instant, to the effect that most of the important business men in Bombay, both European and Indian, attended, is certainly incorrect in regard to the former category.

3. My Committee are aware that the accommodation in the Cathedral is limited and that space has to be found for a number of officials. But the allotment of tickets appears to have been made in such a haphazard manner that, to the knowledge of my Committee, there were several persons present at the service who were neither officials nor Christian, and others who were neither official nor British. My Committee submit that prominent members of the European British community have every right to be present on a great national occasion like that which has just passed, and the fact that in spite of every effort on their

part most of them failed to do so has aroused the liveliest dissatisfaction. As the arrangements on this occasion were so lamentably deficient, I am to suggest that on future occasions of this character an adequate number of tickets be reserved for the use of the British members of the European commercial community and forwarded to the Chamber for distribution among its members. I am further to suggest that longer notice should be given on future occasions and that arrangements should be made to enlarge the available seating space by means of stands inside or outside the Cathedral, as it is understood was done elsewhere.

4. In conclusion I am to call attention to the fact that no steps appear to have been taken to bring to the notice of the public that the ceremony of the proclamation of His Majesty King Edward VIII was to take place in Bombay. Many loyal subjects of His Majesty were thus deprived of the opportunity of being present on a great historic occasion. When every consideration has been given to the rights and duties of officials, I am to suggest that such occasions are not complete without a fair sprinkling of non-officials, including members of the European commercial community, to whom in large measure Bombay owes her position as an Imperial City.

Letter from C. W. A. Turner, Esq., C.S.I., C.I.E., Chief Secretary to the Government of Bombay, Political and Reforms Department, No. 1108/34-A, dated 7th February 1936, to the Secretary, Bombay Chamber of Commerce.

In acknowledging the receipt of your letter No. 296/73, dated the 30th January 1936, on the above subject, I am directed by the Governor in Council to state that the orders of the Government of India regarding the reading of the Proclamation were received by the Government of Bombay at 9-15 a.m. on the 22nd January 1936. The Proclamation was to be read at 4-30 p.m. the same day, and Government had to make arrangements within the time available with the Naval and the Military authorities and the Police,

and to issue orders to all the officials who were expected to attend. It was, therefore, with the utmost difficulty that Government were able to have everything ready by 4 p.m. It was impossible to notify the public owing to the late receipt of orders from the Government of India.

2. As regards the arrargements for the Memorial Service at St. Thomas' Cathedral, I am to state that in this case also Government had a very short notice from the Government of India, and that owing to the uncertainty whether the Military authorities would hold their own Memorial Service at the Afghan Memorial Church, Colaba, it was not possible for Government to issue their Notification about the Memorial Service at the Cathedral till the afternoon of Saturday, the 25th January. The Political and Reforms Department are responsible for issuing tickets only to officials, Civil, Naval and Military, and to foreign Consular officers in Bombay, on such occasions, and cannot undertake the responsibility of issuing tickets to the British members of the commercial community in Bombay, and forwarding them to the Chamber of Commerce for distribution among its members. I am to add that the Cathedral authorities, who deal with applications from the general public for cards of admission, had to consider the claims of the regular members of their congregation and are entitled to meet their demands so far as possible.

FAREWELL ADDRESS TO LORD WILLINGDON.

Farewell Address presented by the Bombay Chamber of Commerce to His Excellency the Right Honourable Freeman Freeman Thomas, Earl of Willingdon, P.C., G.M.S.I., G.C.M.G., G.M.I.E., G.B.E., Viceroy and Governor-General of India, at Government House, Bombay, on Friday, 17th April 1936.

MAY IT PLEASE YOUR EXCELLENCY,—On the eve of your approaching departure to Europe, we, the representatives of the Bombay Chamber of Commerce, desire respectfully to approach Your Excellency to express the deep sense

we entertain of the distinguished services you have rendered to this country during the five years you have discharged the onerous duties of Viceroy and Governor-General of India.

Coming to that high office with a world-wide reputation as a statesman, you have shed additional lustre on your name by the wisdom with which you have guided the counsels of India during an unusually momentous period. Mindful of Your Excellency's work in this Presidency during the war period and of your unique experience of Indian problems we confidently expected that your elevation to a higher sphere would be attended with an equal measure of success, and in this we have not been disappointed. Faced, shortly after your arrival, with a renewal of the campaign of civil disobedience you proclaimed your determination to use to the full the resources of the State in fighting and defeating a movement which would otherwise have remained a constant menace to orderly government and individual liberty. This policy was crowned with success, and the Ordinances which were rendered necessary have been replaced by more permanent legislation which should secure the country against a recurrence of the menace. During Your Excellency's period of office active steps have been taken towards preparing the country for the inauguration of the new Constitution provided by the Government of India Act after eight years of enquiry, conference and controversy, unique in political history. The harmonious atmosphere now prevailing is a striking testimony to the firmness, sympathy and tact with which you have handled a problem of unexampled difficulty and magnitude.

In the economic sphere Your Excellency has had a difficult path to tread. The world-wide depression has been severely felt in a predominantly agricultural country like India. To Your Excellency has fallen the unpopular task of enforcing rigid economy and imposing additional taxation. Only by degrees has it been found possible partially

to lighten the burden. Although we are as yet far from warming ourselves in the sun of returning prosperity, gleams of light may be discerned in the economic sky. Your Excellency will have the satisfaction of leaving this country in a far stronger position than that in which you found it. An outstanding feature of Your Excellency's regime has been the striking improvement in India's credit notwithstanding adverse economic conditions.

The commercial community are under deep obligations to Your Excellency for the fostering care you have constantly bestowed upon agricultural and trade interests, and especially for the active support you have given to the development of communications by road and air. We desire to offer our respectful congratulations on the campaign initiated and financed by Your Excellency's Government for the amelioration of the condition of the agricultural masses, a movement which offers most interesting and fruitful possibilities for the future of this great country.

Two events of great importance in the external relations of India have been the Ottawa Agreement and the Indo-Japanese Agreement, the first designed to strengthen the bonds uniting the component parts of the Empire at a time when tariff barriers, and exchange restrictions render normal international intercourse unusually difficult, and the second exemplifying India's growing status among the nations in negotiating direct with a foreign power.

To Your Excellency's administration must be assigned the credit of carrying through a measure of particular and daily benefit to the mercantile community—the unification and simplification of the customs tariff, in which India has given a lead to the commercial world by adopting a scientific classification based on the expert advice of the Economic Committee of the League of Nations.

We would tender our sincere thanks to Your Excellency for the courtesy and consideration which Your Excellency's Government have at all times extended to the representa-

tions of the Chamber when we have had occasion to address Government on matters of public or commercial interest.

We desire to pay a special tribute to the gracious lady who has so ably supported you throughout your distinguished career. In Her Excellency Lady Willingdon India loses a true friend, the originator and supporter of countless charitable schemes, the benefits of which will be enjoyed by multitudes for many years to come.

It now only remains to us to bid you and Lady Willingdon adieu and to wish you both many years of health and happiness and the enjoyment of a well-earned rest at home after your arduous labours in India.

With every assurance of our respect we subscribe ourselves in the name and on behalf of the members of the Bombay Chamber of Commerce,

L. A. HALSALL, *President.*
A. K. G. HOGG, *Vice-President.*
W. A. BELL,
F. H. FRENCH,
J. F. MACDONELL, } *Members of the Committee.*
R. SCHERER,
D. D. STORRAR,

R. J. F. SULIVAN,
Secretary.

BOMBAY, *April 17th*, 1936.

His Excellency the Viceroy's (Lord Willingdon's) Speech in Reply to the Farewell Address presented by the Bombay Chamber of Commerce on the 17th April 1936.

GENTLEMEN,—I appreciate very deeply the generous language you have used in your address and now that the time has come for me to say farewell to you I confess that I hardly know what words to use with which to express my feelings. In this case, however, the simplest phrases are the best and I would ask you to accept my warmest thanks for your kind appreciation of my services.

It is clear that you wish to send me away from India happy in the knowledge that my term of office has met with the approval of the Bombay Chamber of Commerce and in this you have succeeded to the full. I have always realized the close connection between the contentment of a country and the prosperity of her trade and commerce, and the harmonious atmosphere now prevailing, to which you, Sir, referred in your address, is, I think I can claim, not one of the smallest factors in the improvement of trade conditions to-day as compared with when I took over office five years ago, and even though that improvement may only at present be discerned as a small gleam of light in the economic sky, I am convinced that that gleam is steadily gaining in strength from day to day. India's credit stands high, and of that fact I am proud for although there are contributing reasons for it, one very large element has been the restoration of law and order throughout the country which has been the constant pre-occupation of my Government and myself during my entire regime.

I was particularly pleased to hear your expression of thanks to the Members of my Government for the courtesy and consideration which they have shown to the representations of your Chamber when you have had occasion to address Government in matters of public or commercial interest and I would express my full confidence that that courtesy and consideration which you have received in the past will continue to be extended to you in equal measure in the future.

I am indeed glad to think that financial conditions have so improved as to permit of the initiation of a campaign for the amelioration of the condition of the agricultural masses and I have not the slightest doubt that my successor will continue the good work that has been started and it is to be hoped that improving conditions will result in greater resources being placed at his disposal for the purpose.

Your tribute to the manifold activities of Her Excellency has touched me deeply. She has taken the keenest interest in the welfare of the women and children of this country and she will, I know, sincerely value your kindly references to her untiring efforts.

The time has now come to say Good-bye—and I do so with a heavy heart for the links that have so long and so closely bound me to India for many long years have now to be broken, but I trust, Gentlemen, that you will not forget me, and in bidding you farewell I wish you all a bright and prosperous future.

ADDRESS OF WELCOME TO LORD LINLITHGOW.

Address of Welcome presented by the Bombay Chamber of Commerce to The Most Honourable Victor Alexander John Hope, Marquess of Linlithgow, P.C., K.T., G.C.S.I., G.C.I.E., O.B.E., D.L., T.D., Viceroy and Governor-General Designate of India, at Government House, Bombay, on Friday, 17th April 1936.

MAY IT PLEASE YOUR LORDSHIP,—On behalf of the Bombay Chamber of Commerce we desire to offer Your Lordship a most cordial welcome on your arrival in India and to tender our sincere congratulations on your appointment as Viceroy and Governor-General of India.

Your work first as Chairman of the Royal Commission on Agriculture in India and later as Chairman of the Joint Parliamentary Committee has furnished an exceptional contribution to the elucidation of India's problems and marked out Your Lordship as pre-eminently fitted for the high office to which you have been called. The great ability and strict impartiality with which Your Lordship presided over the labours of the Joint Parliamentary Committee won our unstinted admiration, and we regard it as particularly appropriate that the new constitution should be inaugurated under the auspices of one who played so great a part in shaping it.

Much has been said in recent years about the development of India into the position of a great industrial country. Desirable though this may be, we regard the development of agriculture, more especially the promotion of scientific cultivation and methods of marketing, as of far greater importance for the good of India as a whole. We feel confident that with Your Lordship's knowledge of this subject, there will be no danger of the question of industrial development being allowed to eclipse the more important consideration of agriculture. Recognizing that the prosperity of the country is mainly dependent on the prosperity of the cultivator, the Bombay Chamber of Commerce has, since its inception nearly one hundred years ago, shown the keenest interest in agriculture. We therefore welcomed the establishment last year of the Rural Development Fund. Your Lordship's experience of India's agricultural problems, which must be unique among those who have held your High Office, is the surest guarantee that the sums now being assigned to rural development projects will be expended to the best advantage.

In recent years we have on many occasions expressed the opinion that an essential pre-requisite to the successful inauguration of the new Constitution for India was that adequate funds should be available both to the Central and the various Provincial Governments. It has therefore been a matter of the liveliest satisfaction to us, as we feel sure it will have been to Your Lordship also, that it has been possible for the Finance Member to present a surplus budget and to hold out the hope that in the first few years of the new Constitution the necessary funds will be available to the Central Government without having recourse to additional taxation. This sense of satisfaction, however, has been tempered by the fact that the emergency surcharge on import duties is still in force, as is also a portion of the surcharge on taxes on income. There can be little doubt that the present import duties on many articles are much too high, and are definitely restrictive in their effect on

India's sea-borne trade. We venture to express the hope that at a very early stage in Your Lordship's regime it will be found possible to abolish all emergency measures of taxation, not only in the interest of the general trade of the country but also as a preliminary to the inauguration of Federation.

One other matter of importance to which we would beg leave to make brief reference is the co-ordination and control of communications. Recognizing the desirability of sparing India the wasteful competition from which the more fully developed countries of the West have been suffering for some time past, Chambers of Commerce in India have urged upon the Government of India the creation of a Portfolio of Communications which shall include Railways, Roads, Civil Aviation and Posts and Telegraphs. In recent years there has been ample evidence of a clash of interests as regards rates and conditions for the carriage of goods by road and railway, while increasing weight will now have to be given to the claims of aerial transport which again will affect the Department of Posts and Telegraphs. We feel that until the co-ordination and control of communications is placed in the charge of one Minister, there is little possibility of any progress being made towards a solution of these problems. The Hon'ble Member in charge of Railways recently announced that during the course of next year active steps would be taken to set up a Portfolio of Communications, subject to any further considerations that might arise. We would respectfully express the hope that this much needed measure of re-organization will be enacted with the least possible delay.

We desire to include in our welcome to-day Lady Linlithgow, who, we are confident, will take an active interest in the many institutions in this country which work to alleviate sickness and distress.

In conclusion, may we express the hope that your stay in this country will be a happy one, and that during Your Lordship's term of office the improvement already

noticeable in political and economic conditions in India will be maintained and extended to the benefit and contentment of all.

With every assurance of our respect we subscribe ourselves in the name and on behalf of the members of the Bombay Chamber of Commerce,

L. A. HALSALL, *President.*
A. K. G. HOGG, *Vice-President.*
W. A. BELL,
F. H. FRENCH,
J. F. MACDONELL,
R. SCHERER,
D. D. STORRAR, } *Members of the Committee.*

R. J. F. SULIVAN,
Secretary.

BOMBAY, *April 17th*, 1936.

Speech by the Most Hon'ble The Marquess of Linlithgow in Reply to the Address of Welcome presented by the Bombay Chamber of Commerce on 17th April 1936.

MR. PRESIDENT AND GENTLEMEN,—I thank you on behalf of Lady Linlithgow and myself for the very cordial welcome which you have extended to us on our arrival in India. It is a source of a very real encouragement to me, at the outset of the heavy task which lies before me, to know that I have the good wishes and the goodwill of a body so important, and with so long and distinguished a history, as the Bombay Chamber of Commerce.

You refer in your address to several matters of great interest on which I am sure you will not expect me to make any detailed comment at this stage. I have listened with close attention to the views you have expressed on the relative importance of agriculture and of other forms of industry in the economic fabric of India. Let me assure you of my full recognition of the vital importance of a proper and harmonious balance of these important elements in the economic life of any country.

I share the pleasure you have expressed at the fact that this year the Finance Member has been able to present a surplus budget. I am in entire accord with you as to the essential importance of the financial issue as affecting the successful working of the New Constitution. It would be premature for me to express any views on the specific suggestions you have advanced, but you may rest assured that I have listened to them with the respect they deserve, and that I am fully alive to the weight of the considerations which you urge.

The problem of the co-ordination and control of communications is one of great and growing importance in India, and one in which you can rely on me to take a close personal interest. I am impressed by your remarks, both on the question generally, and as bearing on the creation of a Portfolio of Communications, and I can undertake without hesitation to assure you that they will not be lost sight of.

In conclusion, I wish again to express to you my gratitude for the good wishes which you have expressed in your address for Lady Linlithgow, as well as for myself. May I reiterate your hope that during my term of office the "improvement in political and economic conditions in India will be maintained and extended to the benefit and contentment of all"? If, during the term of my Viceroyalty, it is vouchsafed to me to see that hope fulfilled, I shall indeed consider myself fortunate.

Gentlemen, I thank you.

RAILWAY ENQUIRY COMMITTEE.

Memorandum submitted by the Bombay Chamber of Commerce to the Railway Enquiry Committee.

An endeavour has been made to deal in this memorandum on broad principles only as in the time at our dis-

posal it has not been possible to table detailed figures and suggestions.

The main points dealt with are :

I. The effect of railway rates on traffic.
   (*A*) Goods traffic.
   (*B*) Passenger traffic.
II. Road-rail competition.
III. Internal administrative policy.

I. (*A*).—There has admittedly been considerable shrinkage in the volume of goods traffic carried, but it is considered that this is due in great measure to world depression and economic nationalism.

Arising out of the latter, it is possible that in the past, in affording protection to certain industries after Tariff Board enquiries, insufficient attention has been paid to the effect of any such measures on the finances of the railways and indirectly through them on the general revenues of the country. Would it not be possible for the railways to tender evidence in each case of the influence that any proposal may have on the finances of the railways ?

The problems of the railways to-day are primarily commercial problems, and it is important that those selected for the appointment of Agent should have a fairly wide understanding of commercial affairs in addition to such technical knowledge as is necessary.

(*Note.*—It is not suggested that it is necessary to go outside the railway cadre to attain this end.)

With regard to internal trade, it is felt that not enough attention has hitherto been paid to the possibility of inducing a better distribution of, and an increase in the internal traffic in, raw materials. For example, Ahmedabad mills are adapted to the use of and could use more Sind and Punjab cotton, instead of cotton grown at their doors (that is, Surti, Broach and Dhollera cotton), if it were made possible for them to obtain the former at a more suitable price by a reduction in the railway freight. Similar conditions apply

in other mill centres. Any reduction in freight for this purpose would have also a tendency to benefit the agriculturist. Railway freights at present appear designed to facilitate the transport of cotton for export, rather than to further an increased consumption of cotton in the interior. Two examples are given below :—

From	To	Mileage.	Rate. Rs. a. p.
Cawnpore ..	.. Bombay	640	1 10 11
Bombay ..	.. Cawnpore	640	2 3 8
Broach ..	.. Calcutta	1,191	2 4 7
Broach ..	.. Cawnpore	761	2 5 4
The freights on Linseed, a raw material, are :—			
Gwalior ..	.. Bombay (port)	763	0 12 9*
Gwalior ..	.. Amraoti (factory) ..	599	0 13 9*

* Subject to verification.

A serious study by the railways of the requirements of large industrial centres, such as Calcutta, Bombay, Madras, Cawnpore, Delhi, Ahmedabad, Coimbatore, Madura, Sholapur, etc., might result in considerable increase in traffic and greater prosperity to the centres named.

As a general principle, the freight on all agricultural produce, particularly on cotton and oil seeds, should be kept as low as possible, even if it be found necessary to counter-balance any problematical loss in revenue by an increase in the freight on other articles of trade which could, on investigation, be reasonably expected to stand an increase. The freight on certain production goods, or, as they are sometimes called "capital goods," might perhaps be increased provided the railways give better service than they do at the present time in the conveyance and handling of them. For example, machinery is almost uninsurable in India against the risk of breakage on the railways, and the losses due to breakages are very heavy. Again, the use of unsuitable trucks for the despatch of machinery to stations where it is known no cranes exist, often causes considerable delay and expense to the consignee, both in regard to demurrage and crane charges. A map showing where cranes are located would overcome this, as heavy machinery

for other stations could then be placed in trucks from which it is possible to unload the machinery without the use of a crane.

Another matter that needs investigation is the anomalies that exist in the freight rates on certain commodities when despatched by different routes. It is admitted that the relatively higher rate of freight for short distance traffic is in many cases justifiable, but the following instances are quoted to show how this theory is sometimes carried to extremes :

(*a*) Under the general classification, the rate for gunnies (2nd class) is .42 pies per maund per mile. There exists, however, a special rate from Shalimar to Bombay, presumably in order to compete with the steamers, and therefore in actual practice it is cheaper to send gunnies from Shalimar to Bombay and re-book them to Amraoti, than send them to Amraoti direct. The comparison is as under :—

		Per maund. Rs. a. p.
Shalimar to Bombay	.. ..	0 10 2
Bombay to Amraoti	.. ..	1 0 0
v.s.	Total Rs. ..	1 10 2
Shalimar to Amraoti	.. ..	1 13 10
Cheaper via Bombay by	..	0 3 8

(*b*) The rate of railway freight for cotton in full pressed bales from Nagpur to Coimbatore is Rs. 3-10-8 direct, but Rs. 3-1-0 if the cotton is railed to Bombay and thence re-booked to Coimbatore.

(*c*) The rate of railway freight for the same commodity from Nagpur to Ahmedabad works out cheaper by Re. 0-2-3, if the cotton is railed via Bombay, than if it is railed direct.

It would appear that the railways have concentrated their attention on the traffic to and from the ports in India,

one reason for which is perhaps the necessity of competing with coastal steamers in the inter-port traffic, and they have not given to the internal trade the attention it deserves, e.g., freights on linseed cake manufactured up-country has been increased as follows :—

Freight Rates on Linseed Oil Cake. All Exported.

From manufacturing Factory.	To Port.	Up to Dec. 1935.	From Jan. 1936.	From April 1936.	Increase in freight equivalent in percentage.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	
Amraoti	.. Bombay ..	.. 0 3 8	0 4 10	0 5 3	43%
Wardha ..	.. Bombay ..	.. 0 4 1	0 4 11	0 5 10	43%
Nagpur	.. Bombay ..	.. 0 4 6	0 5 4	0 5 9	28%
Pandhurna ..	.. Bombay ..	.. 0 5 1	0 5 11	0 6 5	26%

From the cases quoted above, it would seem that the railways are putting themselves to unnecessary expense in hauling goods over the additional mileage of the cheaper routes and it is regarded as of great importance that as soon as such anomalies are noticed, steps should be taken at once to rectify them.

Railways should, in no circumstances, be permitted to compete with each other for traffic. The railways should be made to look at the question of freights from the point of view of the country as a whole and not from the narrow interest of a particular railway serving a particular district.

(*B*) I. *Passenger Traffic.*—The view is held generally by the commercial community that the railways have not done enough to encourage travelling by rail.

The complaints might be divided under the following heads :—

(1) Differences in amenities of first and second class travel are insufficient to attract all those who might be willing to pay the higher fare charged for the former if there were more to be gained.

(2) The amount of expenditure incurred by advertising outside India is probably excessive, unless reciprocal advertising by foreign railways in India cancels this out.

More judicious advertising in India to the inhabitants of the country would probably induce increased travelling.

(3) The speeding up of certain trains might have a wide appeal.

With regard to both I (*A*) and I (*B*), that is with regard to both freight and passenger traffic, it is felt that the railway administrations must "go looking for business" instead of waiting for the business to come to them.

II. Road-Rail Competition.

In regard to the question of motor transport competing with the railways, there is a definite opinion that all unfair competition due to the use of buses and motor lorries not operated on a reasonably sound commercial basis should be strictly regulated.

Equally it is felt that no restriction should be placed on the fullest use of motor transport, except in the manner noted below, as it is considered that if proper control is exercised over motor lorries and buses, in the following manner, it is all that should be done :—

(*a*) The regulations in regard to the maximum weight and number of passengers carried by each bus or lorry should be strictly enforced and all cases of overloading should be rigorously dealt with.

(*b*) The use of pneumatic tyres of adequate size and in a safe condition should be made compulsory. This would not only afford greater protection to the roads, but also be a salutary check on overloading. The width and capacity of tyres should bear a ratio to the maximum permissible load of goods or passengers, and should be specified in each case, the use of smaller tyres being prohibited.

(*c*) There should be systematic and frequent police inspection of all motor buses and lorries and their tyres. The regulations and rules on these points should be uniform throughout India.

(*d*) The number of lorries and buses that are licensed in any one district or part of a district (and by "district" is meant the existing revenue district) for the conveyance of goods might be limited, but such limitation of the number should rest with the Collector of the District or other appropriate authority whom he may depute. The Collector is presumed to be conversant with the transportation needs of his district. No limitation of any form of motor transport should rest with the railway authorities.

It has been contended that as the motor-lorry owner is not compelled to take all goods offered, he is at the moment only taking what is called the cream of the railways' traffic, i.e., the higher rated and more valuable goods. It must, however, be borne in mind that the choice does not really rest with the motor-lorry owner but with the despatcher of the goods and that the question of the cost of transport is not the only factor that induces the owners of the goods to use motor transport. There are the questions of time, greater care in handling, and convenience. It may be a coincidence, but it certainly is very noticeable that the speeding up of traffic on the railways has chiefly occurred in cases where roads are available for motor traffic. The time taken for goods to reach Ahmedabad from Bombay (average 5/6 days 300 miles) is longer in proportion than the time taken for goods to reach Calcutta (average 7/8 days 1,300 miles). In addition there is the great convenience of door to door delivery in the case of motor transport.

It would appear that the real solution of the difficulty that confronts the railways at present is not the prohibition or restriction of motor transport, but the realization by the railways that they should offer the public greater facilities and conveniences than they do at present by putting themselves into a position to quote "through" rates from agricultural centres to factories and from manufacturers' warehouses to merchants' godowns. In other words, they should be able to "sell transport." Whether this can be done by the railways themselves entering into the lorry business or

by their contracting with existing lorry owners is a matter for the railways to decide.

Arising out of this the authorities should also seriously consider whether road transport should not be substituted for railway transport where such a change would be economically sound.

The commercial community hold the view that railways have not done enough to attract traffic to themselves.

III. Internal Administration Policy.

The following points are suggested for enquiry :—

(*a*) Are proper principles being followed as regards the amounts charged to capital from year to year ?

(*b*) Is the basis upon which depreciation is provided satisfactory or does it result in a substantial over-statement or under-statement of profits ?

(*c*) Cost of transporting army stores ? Are the concession rates remunerative to the railways or not ?

(*d*) Railway stores purchase. Would it not be better for the railways to purchase through the Indian Stores Department to a greater extent than is the present practice ?

(*e*) Chola Power House. Should this be closed down ?

The items under this head cover points on which enough information and statistics are not readily available to the general public, and the questions are raised with a view to the Enquiry Committee giving careful consideration to these points, which it is contended have a great bearing on the whole question of railway finance.

AIR MAIL SERVICES.

Letter No. 2615/194, dated 11th September 1936, from the Bombay Chamber of Commerce to the Presidency Postmaster, Bombay.

I am directed to address you on the subject of the recent delays in the air mail service with particular reference to the loss of the *Scipio* and the forced landing of the *Horsa*.

The *Scipio* was wrecked on the 22nd ultimo and on 25th idem it was announced in the Press that it was hoped that most of the *Scipio's* air mail had been salved and would be forwarded to London. On the same date a telegram from Karachi was published mentioning the number of bags of mail that had been identified and that 38 bags still remain to be identified. There does not appear to have been any further announcement in the Press until the telegram from Simla, which appeared in the *Times of India* of 10th inst. to the effect that information had been received from London that all the Indian mail had been salvaged from the seaplane *Scipio*, that this mail had been received in London and issued for delivery and that it was anticipated that only a few articles would be found undisposable. In the absence of more definite information for over a fortnight members of the Chamber were naturally gravely concerned for the safety of their correspondence, as it is no longer a general practice to send duplicates of air mail letters. In fact some members of the Chamber heard by air mail from their London offices that letters carried by the *Scipio* had been safely delivered before the official announcement was made.

In regard to the delay of the mails carried by the *Horsa*, considerable uncertainty prevailed as to when delivery in Bombay might be expected. The Post and Telegraph Department appeared to have no knowledge of what was happening to the mails whether they would come by train or by air to Bombay. Actually they were not all

delivered till the morning of 4th instant although telegrams in the Press led the public to expect an earlier delivery.

My Committee are strongly of the opinion that the publicity arrangements regarding Air Mails and their fate are inadequate in India. The public pay heavily for the facility of sending letters by air and, in the event of any serious delay, they are entitled to the fullest possible information. In the opinion of my Committee it is for the General Post Office to obtain the necessary information from London or Imperial Airways, as the case may be, and to make prompt announcements to the public through the press. There can be no doubt that both the Associated Press and the newspapers will give full publicity to any communications they may receive on a subject which is regarded as of first class news value, intimately affecting as it does the interests of large numbers of the public.

Some months ago the Chamber had occasion to address Imperial Airways on this subject and was assured that they were constantly in close touch with the Department of Posts and Telegraphs and that information regarding movements of, and delays to, their aircraft was regularly and promptly given by them both to the postal authorities and to the representatives of Reuter's and the Associated Press of India. Nevertheless it is clear that there is still a serious lack of co-ordination somewhere, and it is the business of the Government Department responsible for running the mails to find and apply a remedy. I am to express a hope that the Posts and Telegraphs Department will make arrangements with the other Administrations concerned so as to obtain the earliest possible information regarding the movements of air mails and issue prompt announcements to the Press in the event of any deviation from the scheduled time-table.

Endorsement No. 2616/194, *dated* 11*th September* 1936, *copy forwarded to the Director-General of Posts and Telegraphs, Simla, for information.*

Letter No. 11866/36, dated 14th September, from the Presidency Postmaster, Bombay, to the Bombay Chamber of Commerce.

I have the honour to acknowledge receipt of your letter No. 2615/194 dated 11th September 1936, and to say that the matter is receiving attention.

I have already taken up the question with the higher authorities and hope that necessary arrangements will hereafter be made to keep this office fully informed of the fate of air mails overtaken by disaster, so as to enable me to supply information to the inquiring public.

Letter No. 2662/194, dated 16th September 1936, from the Bombay Chamber of Commerce to the Presidency Postmaster, Bombay.

I have the honour to acknowledge with thanks receipt of your letter No. 11866/36 of 14th instant, the contents of which have been noted.

I am to express a hope that arrangements will be made to issue prompt announcements to the press and public not only in cases of actual disaster overtaking aircraft carrying the mails, but also when for any reason appreciable delay is likely to occur in the arrival and delivery of air mails.

Letter No. Air/FM-408/36, dated 26th September 1936, from the Deputy Director-General of Postal Services to the Bombay Chamber of Commerce.

With reference to your Endt. No. 2616/194 dated the 11th September 1936, I am directed to say that the Director-General fully sympathises with the anxious times which many correspondents to Great Britain, U. S. A. and other places in the Continent had in connection with the disaster to the *Scipio* but so far as this particular accident was concerned he feels that the Indian Post Office did all it could to secure and make available to the Indian public all the information that it could get. The accident occurred outside Indian limits and in the Mediterranean and the

only source of information of the Indian Post office could be and was Messrs. Imperial Airways Ltd. Whatever information was obtained was immediately given to the recognized local representative of the Associated Press of India at Karachi and he sent it off to the newspapers. This it was considered was the quickest method of making the information available to the public. As few people visit the post office or look at the Notice Board it was not considered either necessary or desirable to send a telegram to every post office in India and ask that post office to put up a notice on its Notice Board. The newspapers published the information in full from day to day. To take only one newspaper, the *Times of India* published information relating to the disaster in its issue of the 24th August 1936, the accident having occurred on the evening of the 22nd August. In its issue of the 25th August 1936 it mentioned that the majority of the mails from India and the Far East carried by the *Scipio* were safe and likely to be recovered. In its issue of the 26th August 1936 it published a message from London stating that the Post Office had advised that it was hoped that most of the *Scipio's* air mails had been salvaged and would be forwarded to London. As most of the bags had lost their labels on account of immersion in the sea water and as the plane carried not only the Indian but the Australian, Strait Settlements, Iraqian and Egyptian mails, it was impossible to say what part of the Indian mail had been salvaged and what part had not and the Indian Post Office had to wait for a communication from the British Post Office which had again to wait until all the bags had been received, opened, identified and checked with the letter bill from India mentioning the number of bags despatched. As soon as the Indian Post Office received the communication from the British Post Office it was made available to the Press. The final information is that all the Indian Air Mail had been salvaged from the *Scipio* and it is anticipated that only a few items will be finally undisposable. It is now learnt from Imperial Airways that all the mails in the *Scipio* were salvaged and duly forwarded

to destination. As the accident occurred in the Mediterranean the Indian Post Office could not have any independent enquiry made by its own agent and it had to depend upon Imperial Airways with whose local representative at Karachi its Director was in constant touch. As the information available had been given to the representative of the news agency it was thought unnecessary to issue a Press *Communiqué* from the Post Office merely repeating what the news agency had already stated.

On further consideration, however, it appears to the Director-General that the public would prefer to have a statement from the Post Office instead of from a news agency and he is making arrangements for the Director of Post and Telegraphs, Sind and Baluchistan Circle, Karachi, to issue a *communiqué* under its own authority and have it published through the recognized news agency in case of similar accidents in future.

As regards delays, normally the Indian Post Office is not concerned with delays to mails which may occur after the mails have left the boundaries of India and in the case of mails conveyed by surface transport the Indian Post Office does not announce any delays in delivery that may occur to the mails delivered in Egypt, France or England. The Director-General is aware that an important section of the public in India are keenly interested in the punctual arrival of the air mails in London. The normal times of arrival and delivery in London are known and it is to be assumed that delivery is normal unless anything is heard to the contrary. Special arrangements will have to be made with the British Post Office to cable to this administration the delay in the delivery of air mails and this will depend upon the willingness of the British Post Office to render this service. Imperial Airways generally announce any substantial delays that may occur in the arrival of their planes in London and it is felt that this is sufficient for the information of the public. However, attempts will be made to see whether anything further can be done in this direction.

As regards delays in the arrival of the East and West bound planes at Karachi information is already given to all newspapers through the news agency as to any delays that are anticipated.

The Director-General trusts that your Chamber will see that the Indian Post Office has done all that it could possibly do under circumstances. As already stated the accident happened outside Indian limits and the Indian Post Office had naturally to depend upon Imperial Airways and the British Post Office for information before announcing it to the public and that whatever information was received was immediately made available to the public through news agencies and newspapers.

Letter No. 2895/194, dated 6th October 1936, from the Bombay Chamber of Commerce to the Deputy Director-General of Postal Services.

I am directed to acknowledge receipt with thanks of your letter, Air/FM-408/36, dated the 26th ult.

With reference to the second paragraph, my Committee are glad to learn that arrangements are being made for official statements to be issued by the Posts and Telegraphs Department in case of accidents to mail-carrying aircraft in future.

With reference to the third paragraph of your letter, I am to point out that there is so little variation in the arrival of mails carried by surface transport that the argument put forward does not appear altogether convincing. In respect of air mails, with a shorter period of transit, any delays in delivery—not only "substantial delays"—are of proportionately greater importance. Moreover, the public pays a higher charge for Air Mail and may reasonably expect a little more consideration in case of delays. Accordingly I am to express a hope that it may be found possible to make arrangements with the British Post Office to cable information regarding delays in the delivery of air mails.

THE TRADE UNIONS ACT, 1926, AND THE TRADE DISPUTES ACT, 1929.

Letter No. 2876/195, dated 5th October 1936, from the Bombay Chamber of Commerce to the Associated Chambers of Commerce of India.

With reference to Circular No. 68-A.C. of the 18th June last, my Committee have examined the revised report of the European Association, dated 9th March 1936, also the report of the Sub-Committee of the European Group at the Centre and they desire to submit the following observations on the latter which may be taken as complementary to the views submitted by this Chamber in November last.

TRADE UNIONS ACT, 1926.

Definition of Trade Union. Section 2(h).—My Committee agree with the views of the Sub-Committee of the European Group, as there are obvious advantages to be gained by having a definition which has stood the test of time and has been reached as the result of past experience. The original suggestion to omit the words " or for imposing restrictive conditions on the conduct of any trade or business " might now be abandoned.

Section 4.—Compulsory Registration. My Committee can neither follow the Sub-Committee's reasoning nor accept the conclusions they have drawn. They seem to have viewed the question entirely from the political aspect. But the European Association's apprehensions are very real and justified, and my Committee find themselves in full agreement with the recommendation of the Bengal Chamber that registration should be compulsory. Political power should only be a secondary aim of a Trade Union. Companies, firms, societies and associations of various sorts have to be registered by law, so why not Trade Unions ? Is the requirement of a minimum standard in Trade Unions likely to force the pace in the growth of the trade union movement ? My Committee think not ; neither will it lower the standard of the Unions as the Sub-Committee

seem to think. As regards compulsory registration bringing within the Act organisations which it would be undesirable to recognise, surely the remedy is so to set the standard that such a contingency is eliminated. The implication of the word "recognise" as used by the Sub-Committee is not clear. If a Trade Union complies with the requirements of the Act it is entitled to registration so that whether registration is compulsory or not all that such an organisation has to do is to comply with the requirements and obtain registration, however undesirable it may be to "recognise" it.

The Sub-Committee refer to the healthy development of Trade Unionism. In the opinion of my Committee a healthy development can only take place if the movement is controlled by compulsory registration laws and it cannot grow along healthy lines if bands of workers led, or more often misled, by self-seeking opportunists are allowed to call themselves a Trade Union one moment and fade out of existence the next. Devoid of constitution and rules, often inaccessible for the purpose of negotiation, with no real responsibility resting on the leaders, such organizations are a menace to the whole Trade Union movement as well as to those who join them in the hopes of having their case properly represented. The problem of prosecution for non-registration will soon solve itself. Workers will soon realize the benefits to be gained by supporting a properly constituted Union instead of being exploited by persons actuated by no higher motive than personal gain or the acquisition of personal power. If that is achieved a few prosecutions will have been well worth while.

The Hammond Report to which the Sub-Committee refer recommends greater control of Unions by Government and my Committee submit that registration is the first step in that direction. My Committee attach considerable importance to compulsory registration. In their opinion it will ultimately be for the good of both employer and employee and in a short time guide the worker in differen-

tiating between good and bad Trade Unions. They suggest that the support of other Chambers be enlisted in this matter with a view to inducing the European Group at the Centre to press for compulsory registration.

Section 5 (1). *Application for Registration of Trade Unions.*—(*a*) My Committee agree with the Sub-Committee that after the words "making the application" should be added the words "and the industry or industries represented by the Trade Union and the area within which it is proposed to operate."

(*d*) My Committee agree that this proposed new sub-section should be redrafted on the lines suggested by the Sub-Committee.

(*e*) My Committee agree that this proposed sub-section is unnecessary. Supervision as regards the payment of subscriptions can be exercised by the Auditor, and the Registrar if he has powers to inspect the books of the Unions.

(*f*) My Committee agree that in view of the Sub-Committee proposal for amending (*a*) this sub-section is redundant.

Section 6. *Trade Unions Rules.*—(*d*) and (*i*). My Committee are glad to see that the Sub-Committee approve of the addition of the words "and the Registrar" at the end of Sub-sections (*d*) and (*i*). They think Section 20 should be similarly amended. (*See* under Section 20).

(*k*) and (*l*). My Committee share the doubt of the Sub-Committee as to the advisability of including these proposed new sub-sections.

(*e*) The Sub-Committee's suggested substitution of the words "which the Trade Union represents" for the words "with which the Trade Union is connected" seems to be an improvement.

(*i*) My Committee's recommendations regarding audit will be found under the new section at the end.

Section 7. Trade Union Executives.—My Committee have devoted considerable thought to the suggestions made in connection with this section, but apart from other considerations they are impressed by the opinion of the Sub-Committee of the European Group, viz., that the amendment put forward by the European Association has no chance of being accepted either by Government or the Legislature. My Committee suggest that the chief object which they understand to be in view would be secured if registration were to be refused to Unions whose executive included any person who had previously been an official of a banned Labour or Trade Union or who had previously been criminally convicted for an offence committed under the Trade Unions or Trade Disputes Acts or, under any other Act, for an offence committed in pursuance of, or in the course of, Trade Union activities. My Committee agree with the Sub-Committees that if the Registrar is to be given power or discretion to refuse registration, the grounds on which he may exercise that power or discretion should be collected together and should form the subject of a separate section.

Section 8. Unions which infringe the Criminal Law.—My Committee agree that the amendment suggested by the European Association is reasonable but should form part of a section enumerating the grounds on which the Registrar may refuse a certificate of registration.

Section 10. Investigation of Trade Union Affairs.—My Committee agree with the Sub-Committee of the European Group that an investigation into the affairs of a Trade Union ought to be undertaken on the demand or request of one-fourth of the ordinary members of the Union. It is also a matter for consideration whether the Registrar should not be given powers to cancel the registration of a Trade Union which acts in contravention of its own rules, or at least to order an enquiry into the working of the Union.

Section 15 (a). Trade Union General Funds.—If the auditor of a Trade Union's accounts considers that the

salaries of officers of the Union bear an excessive proportion to the Funds of the Union and embodies his views in his report they will be available to the Registrar, and that seems to meet the case.

Section 15 (*i*). *Trade Union Magazine.*—My Committee agree with the revised recommendation of the European Association that copies of any periodical, etc., published by a Union shall be filed with the Registrar. This is in line with the view expressed last year.

Section 16 (2) (*a*). *The Political Fund.*—If the Sub-Committee are right and the amendment restricting the expenditure of funds for the purpose of defraying election expenses to the three months prior to an election will not be supported or seriously considered, it would be better to abandon it and rely on the Electoral Rules.

Section 16 (2) (*d*). *Trade Union Electoral Rolls.*—My Committee are prepared to accept the Sub-Committee's recommendations that the amendment suggested by the European Association should be dropped.

Section 20. *Trade Union Account Books.*—My Committee suggest that the words " or the Registrar at any time " be added to this section at the end.

Section 21. *Age of Membership.*—My Committee agree with the Sub-Committee that the minimum age limit for officers of Trade Unions should be fixed at 21 and that for ordinary members at 17. The European Association recommend the introduction in this section, which is merely concerned with age of membership, of a further restrictive ban on past members of unlawful bodies. My Committee are opposed to the proposed addition which should have no place in this particular section.

Section 22. *Executive Committee.*—My Committee think the Sub-Committee's suggestion that this section should be so amended as to provide that " not less than two-thirds of the total number of the office-bearers of every

Trade Union shall be persons actually engaged or employed in an industry which the Trade Union represents" is a good one and should be supported.

Section 24. *Voting Rules.*—If there is any chance of such an amendment going through my Committee would much prefer to follow the English Trade Union Act, 1871, which requires the consent of not less than two-thirds of the members of the Union before an amalgamation can have the force of law. The suggestion of the Sub-Committee would mean that an important decision might be made by four-ninths of the members, and my Committee consider that at least a majority should be required. It is suggested that an endeavour should be made to secure the provisions of the English Act and if that is not possible and it becomes necessary to compromise the proportion of two-thirds of two-thirds might be accepted as a minimum.

Section 28. *Trade Union Balance Sheets.*—My Committee think it essential that returns should be furnished showing the number of members whose subscriptions have been paid for the year to which the return relates. Otherwise there is an opening for a Union to magnify its importance by exaggerating the number of its members. Such a list could easily be checked with the return of income shown in the accounts. Thus there will be no necessity to introduce the new term " active member " to which the Sub-Committee take exception.

My Committee support the suggestion of the European Association that a penalty should be provided for failure to submit correct returns and that the officer responsible for making the returns should be defined.

Section 31. *Penalties.*—My Committee share the view of the Bengal Chamber that it would be better to clarify this section and they suggest adding to the proviso the words " in the case of any individual."

New Section. Auditing of Accounts.—My Committee agree with the Sub-Committee that Government or pro-

fessional audit of Trade Union accounts is most important. As they had occasion to remark in considering the European Association's original recommendations under Section 5(1) they consider that the smaller Trade Unions might be given the option of having their accounts audited by a Government auditor as is done in the case of Co-operative Credit Societies. The name of the qualified accountant or the designation of the Government auditor should be specified. It would seem that provision for audit on these lines would be most suitably embodied in Section 6(*i*).

TRADE DISPUTES ACT, 1929.

Section 2 (*g*) (*i*). *Definition of Public Utility Service.*—It is observed that the Trade Disputes (Amendment) Bill which forms the subject of a separate reference to the Chamber, omits the suggested reference to " any industry, business or undertaking " but now includes inland steam vessel services and tramway services. This is in line with the report of the Sub-Committee of the European Group and my Committee are prepared to accept it, as in this matter they think that the Chamber should be guided by the Group who are more in touch with political feeling.

(*iv*) We agree with the recommendation of the Upper India Chamber that the definition should be extended to include the generation and distribution of power, and think that it should be supported. The clearer the intention of the Act the less scope will there be for dispute.

Section 3 (*i*). *Suggested appointment of Referees.*—As the suggestion to enable Government to appoint a referee is additional to, and not in supersession of, any of the existing means of settlement my Committee desire to adhere to the Chamber's previous proposal. As a means of quick settlement the referee system affords a better opportunity than the appointment of a Court of Enquiry or a Conciliation Board with their more cumbersome procedure. The appointment of a referee should depend on an application from both parties to the dispute. The

original suggestion of the European Association was to have referees with extremely limited powers, but the Chamber's proposal to have referees with wide powers of investigation is practicable and worthy of further consideration by the Sub-Committee. Although, as the Sub-Committee point out a single individual may be appointed a Board of Conciliation, it appears to my Committee that the parties to a dispute might possibly prefer not to leave the decision entirely to a single individual, whereas a referee might in many cases effect the settlement by recommending a *via media* acceptable to both parties.

Section 15 (*i*). *Prohibition of Sudden Strikes.*—With regard to the suggestions put forward by the Employers' Federation of India and the Millowners' Association Bombay to make strikes illegal which are :—

(1) Called without notice,

(2) Brought about by unregistered Trade Unions,

(3) Brought about after a reference to a referee or Court of Enquiry,

my Committee share the opinion of the European Group Sub-Committee that No. 1 is impracticable.

In connection with Section 4, of the Trade Unions Act *supra*, my Committee have recommended that the registration of Trade Unions should be compulsory and they are *ipso facto* in full accord with suggestion No. 2, that strikes brought about by unregistered Unions should be illegal.

My Committee do not think there are likely to be many instances of strikes occurring while a dispute is under consideration by a Court of Enquiry or Board of Conciliation and if, as they state, the European Group Sub-Committee consider that this suggestion cannot usefully be taken up at present, the Chamber does not consider it worth while to press the point.

(*iv*) *Picketing and Intimidation.*—The suggestion of the Sub-Committee to insert in the Act a section on lines similar to Section 3 of the English Trade Disputes and Trade Unions Act, 1927, is sound and should be supported.

Section 17 (*i*). *Penalties for Illegal Strikes.*—My Committee agree with the Sub-Committee that the fine should be brought into line with the suggested term of imprisonment in accordance with the practice adopted in the Code of Criminal Procedure.

INDIAN COMPANIES ACT.

Letter No. 7164/2, dated Bombay Castle, 6th May 1936, from the Government of Bombay, Finance Department, to the Secretary, the Chamber of Commerce, Bombay.

I am desired by the Governor in Council to forward herewith a copy of Government Resolution No. 7164, dated 6th May 1936 together with a copy of the Indian Companies (Amendment) Bill and a copy of the Report on the amendments of the Indian Companies Act, 1913, by Mr. Sushil C. Sen, and to request that Government may be favoured with the opinion of your Chamber on the provisions of the Bill as early as possible, and in any case before the 15th June 1936.

Letter No. 1652/228, dated 20th June 1936, from the Bombay Chamber of Commerce to the Government of Bombay, Finance Department.

I am directed to refer to your letter No. 7164/2, dated 6th ultimo, and enclosures, requesting the opinion of the Chamber on the provisions of the Indian Companies (Amendment) Bill 1936. My Committee have examined the Bill in detail with the assistance of a Special Sub-Committee representative not only of mercantile and banking opinion but also of the professions of law and accountancy, and I am now, as requested, to submit their comments in triplicate set out *seriatim* clause by clause.

2. There are, however, certain general considerations in connection with the proposed legislation to which attention may suitably be drawn first. Mr. Sen's Report, on which the legislation is based, reached my Committee too late for detailed consideration, but they understand that the weight of evidence with the Government of India is such as to leave no doubt as to the necessity for the amendment of the Act and they desire, therefore, on behalf of the Chamber, to support the Bill and to seek to secure the best possible amendment of those parts of it with which they are not in agreement.

3. The Law Member in introducing the Bill made the following remarks :—

"Trade and Industry in India are in a backward state compared with some other parts of the world, and it will indeed be disastrous if the amendments of the existing law stifle the healthy growth and development of joint stock concerns. While it is desirable that shareholders should have greater knowledge and more effective control of the affairs of their companies than they now possess, yet it should not be made possible for the smooth running of the business of a company to be effectively checked or embarrassed by unreasonable or hostile shareholders."

"Indeed, it is not difficult to imagine that the efficiency and success of the management will depend on its comparative freedom to pursue a policy without undue and excessive interference."

My Committee desire to endorse this and are glad to see this aspect of the matter being emphasized. They would go further and say that the Managing Agency system, which is the subject of attack in certain quarters as wholly bad, has been in the past, and is likely to remain in the future, the most suitable method of company management in India. The establishment of many industries in India can with justification be said to be due to the initiative and resourcefulness of managing agents, and any legislation calculated to operate unfairly against managing agents will, in the opinion of my Committee, tend to restrict the future industrial development of this country. My Committee consider that legislation to deal with the system should be designed to do away with the abuses which are known to exist, and not to discourage it.

4. Similarly, my Committee think that there may be a danger in some quarters of it being assumed that there is in India an unlimited supply of suitable managing directors and directors, whereas in their view the supply is strictly limited—and is certainly not likely to be increased by the duties, and penalties for their non-fulfilment, which the new legislation imposes on directors. The point is that care must be taken to see that the provisions of the new legislation are not such as to discourage the proper functioning of managing agents or to make it unattractive for the best men to serve as directors.

5. My Committee have accepted as reasonable all the provisions of the Bill which are adopted from the English Act which was revised as recently as 1929, except where experience has shown that the English Act can be improved upon. It will be seen that in certain important respects my Committee recommend that legislation should go further than the Bill proposes and they draw the special attention of Government to their views on loans to directors [Clause 33 86D (1) and (2)] and to managing agents [Clause 35 87D (1) and (2.)]

6. As will be seen from their remarks under Clause 38 of the Bill, Section 93 of the Act, my Committee also propose going further than the Bill in the matter of prospectuses. They are of opinion that in the interests of the investing public the fullest disclosure should be made in a prospectus offering shares or debentures for subscription and also in the annual balance sheet to be laid before members.

7. Included in the Bill is a very important clause dealing with Provident Funds. This clause is still under the consideration of my Committee and will form the subject of a separate representation to the Government of India, a copy of which will be sent to the Government of Bombay as early as possible.

I now deal with the Clauses of the Bill on which my Committee wish to comment.

Clause of Bill.	Section of 1913 Act.
2 (1) (b)	2 (13)

A private company is defined in the Bill as one which—

"(*a*) restricts the right to transfer its shares; and

(*b*) limits the number of its members to fifty not including persons who are in the employment of the company and persons who, having been formerly in the employment of the company, were while in that employment and have continued after the termination of that employment to be members of the company; and

(*c*) prohibits any invitation to the public to subscribe for any shares or debentures of the company;

Provided that where two or more persons hold one or more shares in a company jointly they shall, for the purposes of this definition, be treated as a single member."

There does not appear to be any provision either under the 1913 Act or the amending Bill to enable the Registrar to check from time to time that a private company continues to observe conditions (*b*) and (*c*) above. Under Section 111 of the English Companies Act it is provided that a private company shall send to the Registrar with its annual return a certificate that the company has not, since the date of the last return, or, in the case of a first return, since the date of the incorporation of the company, issued any invitation to the public to subscribe for shares or debentures, and, where the annual return discloses the fact that the number of members of the company exceeds fifty, also a certificate that the excess consists wholly of persons who may lawfully be excluded in reckoning the number of fifty.

In the opinion of my Committee a section on the lines of Section 111 of the English Act might usefully be incorporated in the Indian Act.

The attention of my Committee has been drawn to the fact that the Registrar of Companies in Bombay, acting on the advice of the Law Officers to Government, recently refused to register a private company

Clause of Bill.	Section of 1913 Act.	
		limited by guarantee. It is understood that the objection is based on the wording of Clause 2 (1) (13) (*a*), it being argued that a company limited by guarantee cannot restrict the right to transfer its shares. A private company limited by guarantee may be registered in England where the provisions with regard to private companies are the same. The company, registration of which was refused, was a Trade Protection Association, whose members it was proposed would be five, and the liabilities of which would be entirely negligible and would be met from subscriptions by members. To make it clear that a private company limited by guarantee may be registered, I am to suggest that there be inserted after the word 'shares' in section 2 (13) of the Act the words "if it is a company limited by shares."
2 (1) (d)	2 (14)	This clause proposes to exclude from the definition of "prospectus" a trade advertisement which shows on the face of it that a formal prospectus has been prepared and filed. It is not understood why it is proposed to exclude such an advertisement as the advertisement cannot be anything but an invitation to purchase shares. Further, no such provision appears in the English Act. The sub-clause should be omitted.
2 (2)	2 (2)	Clause 2 (2) reproduces section 127 (1) of the English Companies Act 1929, (19 and 20 George V. Chap. 23) in regard to the meaning of subsidiary company but omits sub-section (2) of that section which lays down that where a lending company holds shares in another company as security only no account shall, for the purpose of determining whether that other company is a subsidiary company, be taken of the shares so held. It is considered that the provisions of sub-section (2) of section 127 of the English Act should also be reproduced.
4	9	It is felt that in respect of certain small private companies the printing of the Memorandum of Association would be an unnecessary expense and it would meet all practical purposes if the memorandum were typewritten. It is suggested therefore that the amended Section 9 should read: "9. The Memorandum— (*a*) (*i*) in the case of a public company shall be printed,

Clause of Bill.	Section of 1913 Act.	
		(*ii*) in the case of a private company shall be printed or typewritten, (*b*) shall be divided into paragraphs numbered consecutively, and (*c*) shall be signed by each subscriber in the presence of at least one witness who shall attest the signature."
7	17(2)	(*a*) This clause proposes to make compulsory the inclusion, in identical terms, in the articles of a company limited by shares, certain of the regulations contained in Table A in the First Schedule, but in view of the provisions of clause 26 (amending Section 79) all reference to regulation 56, which lays down the procedure to be followed when a poll is demanded, should be omitted from clause 7, unless the amendments suggested to clauses 26 and 98 are adopted. (*b*) As regards Regulations 78, 81 and 82 it has been overlooked that in a great number of companies certain of the Directors are nominated, *e.g.* by managing agents, debenture trustees and trade bodies. These directors of course do not and cannot stand for election. These clauses must therefore be amended to provide that nominated directors shall not be required to retire by rotation and shall not be included in the quota for retiral. (*c*) Regulation 107. It has apparently been overlooked that the subject-matter of this regulation is dealt with again by clause 56 of the Bill. In considering that clause my Committee give their views on the principles which should govern the nature of the particulars to be included in a profit and loss account. But in any case no mention should be made of Regulation 107 in this sub-section. My Committee desire also to comment on this clause in respect that they do not suppose it is the intention that if this sub-section becomes law it will be necessary for existing companies to give effect to its provisions by going to the trouble and expense of altering their Articles in conformity. This, my Committee consider, will be necessary if the section is adopted in its present form. They are therefore of opinion that the clause should be redrafted so that the regulations to which it refers shall be deemed to be the regulations of all existing companies.

Clause of Bill.	Section of 1913 Act.	
13	34	Sub-section (1) conflicts with sub-section (3) in that the former makes it obligatory on a Company to transfer shares within four weeks provided both transferor and transferee agree, while the latter permits a company to refuse to transfer and to notify the transferor and transferee of its refusal within two months of the date on which the instrument of transfer was lodged with the Company. It is clear from the Notes on Clauses that discretion is to be left with directors to refuse transfer. It is suggested therefore that the sub-section should stop at the word 'transferee' in the seventh line, and the words from 'and' in that line to the end of the sub-section should be deleted. Further, in view of the definition of a private company in clause 2, this section cannot be made applicable to private companies. A proviso should therefore be inserted to make it clear that this section does not apply to private companies.
15	36(2)	It is quite impracticable for large companies in India to furnish copies of lists of shareholders, etc., within a period of 10 days and, in spite of the fact that the English Act also lays down a limit of 10 days, it is felt that in India the period should be fixed at 21 days.
18	50(2)	In the Notes on Clauses appended to the Bill it is mentioned that this clause brings the law into accord with Section 50 of the English Act. The wording of the two sections is not the same. Section 50 (2) of the Indian Act as proposed to be amended will read :— "(2) The powers conferred by this section must be exercised by special resolution." Section 50 (2) of the English Act reads :— "(2) The powers conferred by this section must be exercised by the Company in general meeting." My Committee consider that the wordings of the English Act is preferable and should be followed.
19	54 A (1)	As Section 105B authorises the issue of redeemable preference shares, the words "subject to the provisions of Section 105B" should be inserted at the beginning of Section 54A (1).

Clause of Bill.	Section of 1913 Act.	
26 98	79 (1) (c) and First Schedule Table A.	It is reasonable that a poll may be demanded by the Chairman or by five members or by a member or members holding not less than one-tenth of the subscribed share capital, present in person or by proxy. The words "The Chairman or" should therefore be inserted before the word "five" in the first line of Section 79 (1) (c) and the words "or a member or members holding not less than one-tenth of the subscribed share capital" should be inserted between the words "members" and "present" in the same line. Similarly, in clause 98 the amendment of Regulation 56 of Table A in the First Schedule should read :— (*a*) in regulation 56 the words "by at least three members" shall be omitted and the following substituted :— "by the Chairman or by at least five members or by a member or members holding not less than one-tenth of the subscribed share capital, present in person or by proxy."
26	79 (2) (a)	The word "issued" does not correctly describe the position of the company *vis-a-vis* the shareholders in respect of capital, and the words "subscribed share capital" are preferable and should be used instead of "issued share capital."
31	83B	The proposed provision that not more than one-third of the whole number of directors shall be appointed otherwise than by the members in general meeting is more far-reaching than appears. It leaves out of account, for instance, the fact that where the share capital is divided into different classes of shares each class may have the right of appointing a specified number of directors. The phrase "appointed by the members in general meeting" does not cover this position. Then again if one-third of the number of directors are in fact appointed no vacancy amongst the others can be filled up except at a general meeting. My Committee are therefore in favour of entirely remodelling this sub-section and suggest the following :— "Notwithstanding anything contained in the Articles of Association of a company other than a private company, not more than one-third of the whole number of the directors shall be appointed by the managing agent, if any."

Clause of Bill.	Section of 1913 Act.	
		This gives effect to what is understood to be the intention of the sub-section and gets over the practical difficulties, as my Committee know of certain public utility companies where Government or trade interests at present have the right to appoint directors. On the other hand if the proposed sub-section stands as drafted, the following proviso should be added :— . "Provided that the Governor General in Council or the Governor in Council may exempt any company from complying with the provisions of this sub-section."
33	86B	This section prohibits the assignment of his office by a director but it is presumed that the section will not interfere with the almost universal practice of directors being allowed to nominate alternate directors when proceeding on leave, etc.
33	86D	It would, in practice, be very difficult, if not impossible, for the directors and auditors to ascertain whether a loan granted to a director of a company was made out of moneys borrowed by the company or out of the surplus funds of the company. In any case it is considered that, except in the case of a banking company, no loans should be made by a company to any of its directors. It is recommended therefore that proposed Section 86D, sub-sections (1) and (2), should be omitted and the following substituted :— "86D. (1) No company, other than a banking company, shall make to a director of the company any loan out of moneys of the company." Sub-section (3) should be re-numbered (2), the reference therein to sub-section (2) being altered to sub-section (1).
33	86 E and 86 I (1) (e)	My Committee are not clear as to what significance Government intend to be attached to the words "office of profit," but they are advised that in 6 Ad and E 339 it was said that the word "office" cannot be regarded as being confined to its strict sense but must be given the general and more liberal sense of a place to which duties and profits are attached. This being so it follows that a company's muccadam or selling agent would under the proposed provision be debarred from becoming a director, and my Committee think such a provision is undesirable as unnecessarily restricting the supply

Clause of Bill.	Section of 1913 Act.	
		of suitable directors. Apart from the two cases mentioned the only office of profit, other than those specified in the sections under reference, which occurs to my Committee is that of an auditor and he is already precluded from serving as a director under the existing Act. It therefore seems to my Committee that the proposed sections should be omitted and they recommend accordingly —subject to clarification by Government of the intention underlying these sections.
33	86 F	It is felt that a debenture trustee should be in as good a position as an ordinary director to ascertain the financial position of the company and it is not clear why a director should be disqualified from acting as a debenture trustee or a debenture trustee from being appointed as a director. On the contrary my Committee strongly recommend that at least one debenture trustee should be a director, but it might suitably be laid down that when signing the balance sheet he should enter against his name "Debenture Director" or some such qualifying expression. Should the above proposal not be found acceptable my Committee would, if necessary, go so far as to agree that a debenture director should be given the right to sit and speak at meetings but not to vote. Provision should also be made in the Bill for debenture holders to have the right to remove and replace debenture trustees.
33	86 G	My Committee understand that the word 'Company' here means a company in general meeting, for the first proviso contemplates a resolution of the Company.
33	86 H	This section inserts in the main Act Article 86 of Table A slightly amended, but no provision has been made for a similar amendment to be made to Article 86 of Table A.
35	87 A (1)	My Committee agree that 20 years is a reasonable term for a new managing agency agreement.
35	87A (2)	This is a very drastic clause which provides that all existing managing agency agreements shall automatically come to an end 20 years after the Act comes into force. In the normal way my Committee would most strongly resist any legislation which interfered with existing contracts, but in the present case they realize that special

Clause of Bill.	Section of 1913 Act.	
		circumstances have to be taken into consideration. They understand that the weight of evidence of abuses of the managing agency system is such that the Law Member is convinced that it is against public policy to allow agreements in perpetuity to continue, and that there is no way of putting matters right other than by fixing a definite term to existing agreements.
		In all the circumstances, and in spite of the Chamber's intense dislike of legislation which interferes with retrospective effect with the contractual rights of individuals, my Committee do not propose to resist this sub-clause *in toto* but to accept as inevitable the fixing of a term for existing agreements. They consider, however, that an amendment must be made so as to include compensation, which the sub-clause as drafted does not do.
		My Committee believe that it is with intention that compensation has been excluded as the Law Member is understood to hold that 20 years is long enough notice to make compensation unnecessary. This appears to my Committee to introduce a most vicious suggestion that managing agents may make sufficient from a company over a period to enable them to dispense with compensation. My Committee protest against any such suggestion and they desire to press very strongly their view that compensation should be payable. Indeed they attach more importance to this than to the term to be fixed. It may be argued that no honest and efficient managing agent need fear not having his agreement renewed by shareholders, but this view leaves out of account the possibility of non-renewals for reasons other than dissatisfaction with the way they have discharged their duties, in cases where managing agents cannot control a majority of votes.
		The proviso as drafted not only omits compensation but leaves out of account moneys due but not payable by the date of termination of the agreement, and the release from guarantees of the managing agent and any other party who has joined with him in giving guarantees for loans to a company.
		My Committee desire to put forward the following re-draft of the proviso :—
		" Provided that the termination of the office of managing agent by virtue of this

Clause of Bill.	Section of 1913 Act.	
		provision shall not take effect until all debts and other sums of money due by the company to the managing agent including compensation for loss of office and whether then presently payable or not shall have been paid by the company to the managing agent and all obligations of the company guaranteed by the managing agent shall have been extinguished or performed."
35	87 B (*b*)	My Committee approve of the provision that a managing agent should not assign his office without the approval of three-fourths of the shareholders but specific provision should be made for the case of a managing agent who, being a limited company, reconstructs the company. And it should be made plain that this clause will not apply to the admission of a new partner in a firm of managing agents. The following proviso is suggested : " Provided that, where a managing agent is an individual, the taking into partnership with him of another person or, where the managing agent is a firm, the admission, retiral or removal of a partner, or, where the managing agent is a company, the reconstruction thereof whether by winding up or otherwise shall not be deemed to constitute a transfer of the office of managing agent."
35	87 B (*c*)	My Committee recommend the insertion of the words " which is not due " after the word " thereof " in the second line. A managing agent may rightly be left to dispose as he pleases of moneys which have become due to him—but not of moneys which have not.
35	87 B (*d*)	The words " or otherwise " should be inserted after the word " contract " in the last line to cover moneys recoverable otherwise than under the contract, *e.g.*, supposing the contract did not specify compensation.
35	87C (1) & (2)	These two clauses are best considered together. The first lays down the basis of remuneration of managing agents as a share of the annual net profits of the company, with provision for a minimum payment in the absence of profits, and the second defines net profits. I am to point out that if in any year the profits were very small the managing agent's remuneration would be negligible, and yet, by the clause as drafted he would not be

Clause of Bill.	Section of 1913 Act.	
		entitled to a minimum payment if there were any profits, however small. Provision should be made for remuneration on the basis of a fixed percentage or for a minimum payment *whichever is greater*. This might be done by inserting the words " or of sufficient profits " between the words " profits " and " together " in the 8th line of the section.
		My Committee consider that a share of net profits is the most reasonable basis for remuneration and, subject to consideration of its general applicability and to its amendment as suggested below, they think the definition of net profits is workable.
		On the question of applicability one specific case has been brought to their notice where the definition would not be applicable, and if there is one there are sure to be others. They are not likely to be so numerous as to rule out the definition, but at the same time provision should be made for such cases. My Committee suggest that this would best be done by providing under 87C(1) for another basis of remuneration and making it subject to a special resolution. They suggest the addition at the end of the clause of the words: " Any other form of remuneration shall not be valid unless approved by a special resolution of the Company."
		It must be emphasised that some provision must be made for such cases even if the above is not acceptable.
		As regards the definition itself it is to be noted that debenture interest is not specifically mentioned. It may be that it is intended to be included under loans, but my Committee think it would be better to specify it separately. It is a matter for consideration whether debenture interest should be treated as interest on loans and deducted from profits for the calculation of managing agent's remuneration or as interest on capital and not deducted. Evidence from existing agreements on the basis of net profits is inconclusive as some agreements provide one way and others the other. On the whole my Committee recommend that debenture interest should be excluded from the calculation of 'net profits.'
35	87D (1) & (2)	These clauses cover the very important question of loans to managing agents by Companies.

Clause of Bill	Section of 1913 Act.	
		On the clauses as drafted I am to remark—
		(*a*) That in practice it will be difficult, if not impracticable, to distinguish between moneys borrowed and surplus funds.
		(*b*) Sub-clause (2) would operate to cancel out the provisions of sub-clause (1) even if the objection under (*a*) were not valid.
		My Committee are of the opinion that the improper use by some managing agents of the moneys of companies under their control is the kernel of the trouble referred to by and large as the "abuse of the managing agency system," and they strongly recommend that the provisions in this regard should go much further than the Bill provides and that loans by companies to managing agents should be prohibited altogether. My Committee consider also that the keeping of current accounts with managing agents should be prohibited, and they suggest the following re-draft of the two sub-clauses :—
		"No company shall make to a managing agent any loan out of the moneys of the company nor shall any current account be maintained by the company with the managing agent."
		My Committee desire to lay stress on this proposal as a really effective way of dealing with abuse of the managing agency system without interfering with powers which should properly be exercised by the managing agent.
		If it is felt that the prohibition as regards current accounts is likely to cause inconvenience they would advocate the fixing of a maximum of, say, Rs. 10,000 to be fixed by the company in general meeting as the maximum sum allowed to be kept at the credit of a current account of a company with a managing agent.
35	87 G	It would be an intolerable restriction on the powers of managing agents, and against the interests of the shareholders, if the managing agents were to be prevented from, say, securing the best rate for a call or fixed deposit by having to refer to the Board for approval. I am to suggest that this clause be re-drafted as under :
		"A managing agent shall not exercise in respect or on behalf of any company of which he is the managing agent a power to

Clause of Bill.	Section of 1913 Act.	
		issue debentures or, except with the authority of three-fourths of the directors, to invest the funds of the Company, and, save as aforesaid, no delegation of any such power by a company to a managing agent shall be valid."
35	87H	My Committee strongly oppose this section. They believe it to be a mistake in drafting and on that understanding do not propose to deal in detail with the effect of it if passed into law, especially as part of the Indian Companies Act. It is sufficient to point out that under it no managing agent could manage more than one mill manufacturing the same class of goods even though the mills were in different parts of the country. The same applies to electrical undertakings, cement, tea and coal companies and railways. The managing agent of a mill would also be prevented from carrying on the business of exporting cotton or importing piecegoods. My Committee cannot bring themselves to believe either that it is the intention of Government to introduce legislation of this nature or that, if it were, Government would seek this very inappropriate method of doing it. The intention underlying the clause is presumably to prevent a managing agent diverting to himself profits which should properly accrue to the Company. With this my Committee are in sympathy but do not feel called upon to suggest a re-draft. It is for Government to formulate an acceptable draft, if it is practicable to cover the point by legislation, which appears doubtful.
36	91C	Under the Act as it stands there is no time limit laid down within which a company must send to every member an abstract of the terms of a contract or the variation of contract entered into for the appointment of a manager in which contract any director is directly or indirectly concerned or interested. The Bill proposes to limit the period to 14 days. This is considered too short a period to be workable and "one month" should be substituted.
38	93	This section provides for the disclosure in the prospectus of a company of certain details which have not hitherto been required to be disclosed. As emphasised in their introductory remarks my Committee are very strongly

Clause of Bill.	Section of 1913 Act.	
		in favour of tightening up the provisions in respect of prospectuses, and it may be noted that the section does not go as far as the English Act.
38	93 (*a*) (*iii*) (*ff*)	While agreeing that the information required to be disclosed by this clause should be disclosed, where available my Committee feel that the clause may not be generally applicable, particularly in regard to the price paid in earlier transfers and the profit accruing from a business during each of the three years immediately preceding the issue of the prospectus or during each year of the existence of the business if less than three years. Provision should therefore be made for cases where the required information is not available.
38	93 (*b*) (1A)	In view of the Kylsant case, which was heard after the passing of the new English Act, my Committee strongly recommend that this section should be tightened up so as to make the prospectus show the source of the profits from which the dividends paid each year have been derived. They also strongly recommend the insertion of a provision that if any issue of shares or debentures is underwritten the names of the underwriters be disclosed in the prospectus, which should also contain a declaration by the directors to the effect that in their opinion the resources of the underwriters are sufficient to discharge the underwriting obligations.
54	131 (1)	For the word "incorporated" in the seventeenth line of the new sub-section (1) substitute the words "carrying on business or having interests outside India." It is presumed that the word "incorporated" has been used in error in this instance, as legislation affecting domestic arrangements of companies incorporated outside India cannot be enacted in India. The amendment proposed will bring the sub-section into line with Section 123 of the English Act.
56	132	This clause makes it compulsory to publish certain particulars in the Profit and Loss account. It is to be noted that this provision does not exist in the English Act and my Committee are extremely doubtful if it is necessary or desirable to impose this provision in India. In any case they think it should be left to the discretion of the share-

Clause of Bill.	Section of 1913 Act.	
		holders in general meeting to ordain otherwise if they so desire, as it may not always be to the advantage of shareholders to have a Profit and Loss account published.
		My Committee, do not understand the significance of the term "manager" in the draft clauses and find it difficult to believe that it is intended to make it compulsory to publish the remuneration paid to the manager of a company. If it is they consider it highly undesirable and they see no more reason for disclosing the pay of the manager in the Profit and Loss account than that of the assistant manager or the rest of the salaried staff. Similarly they think that it is equally undesirable that the pay of a managing director should be published. In order to meet these objections I am to propose the following re-draft of the clause :—
		"Unless otherwise resolved by the Company in general meeting the profit and loss account shall include particulars showing the total of the amount paid whether as fees, percentages or otherwise to the managing agents, if any, and the directors, other than managing directors, respectively as remuneration for their services and the total of the amount written off for depreciation."
59	136 (2)	The balance sheet to be displayed should be the last audited balance sheet which has been laid before the Company and it is suggested therefore that the words "laid before the members of the company" should be inserted after the words "balance sheet."
63	145 (2) (d)	It is required that the auditors should certify whether books of account have been kept by the company as required by section 130. As there is certain to be a conflict of opinion as to what are proper books of account it is suggested that after the word "whether" the words "in their opinion" should be inserted. For the same reason the words "proper accounts" should be substituted for "books of account." The amended section will then read :—
		(d) whether, in their opinion, proper accounts have been kept by the Company.
		The opportunity should also be taken of amending clause (c) of section 145 (2) by inserting the words "in their opinion" after the word "whether." This must be a matter of opinion and is in accordance with the English Act.

Clause of Bill	Section of 1913 Act.	
64	146 (2)	This section merely gives the debenture trustees the same rights as the holders of preference shares and debentures in respect of receipt and inspection of balance sheets and auditors' reports as are possessed by ordinary shareholders. If, however, my Committee's recommendation in regard to the eligibility of a debenture trustee for appointment as a director (clause 33, section 86F) is not accepted, then a debenture trustee should be given greater powers than are prescribed at present by the Act. He should, at any rate, be given powers of inspection equivalent to those allowed to a Director.
68	163 (1) (*i*)	Notices of demand should be served by registered and not by ordinary post. The word "registered" should therefore be inserted before the word "post."
70	170	It appears to have been overlooked that District Courts have power to wind up and that there will be no "Official receiver" to whom such a Court would send intimation of an order for the winding up of a company.
82	207-219	The Notes on Clauses refer to the insertion of a new section 215E but no such section exists in the Bill.
82	209 H(1)	No provision is made to fix the number that should form a quorum of creditors. It is suggested that one creditor shall form a quorum.
83	230 (1)	My Committee are suggesting in a separate representation to Government regarding clause 97, section 282 b (2), that a further sub-section (*e*) should be inserted after (*d*) and the proposed sub-section (*e*) should be lettered (*f*):— "(*e*) All sums due to any employee from a Provident Fund the assets of which are mingled with the assets of the Company, but to the extent only to which the assets of the fund have been so mingled."
88	238A (1) (p)	In the first section after sub-clause (*p*) for the words "shall be punishable" the words "shall be liable to be punished" should be substituted.
88	238A (2)	Similarly in sub-clause (2) for the words "shall be punishable" the words "shall be liable to be punished" should be substituted. Both these amendments follow the lines of the English Act.

Clause of Bill.	Section of 1913 Act.	
90	244A (1)	It is unreasonable that any distinction should be made between the Imperial Bank of India and other scheduled Banks and it should be permissible for a liquidator to pay any money received by him into any scheduled Bank. The following should therefore be substituted for the words "Imperial Bank of India"—"a scheduled bank as defined in Clause (c) of Section 2 of the Reserve Bank of India Act, 1934."
97	282B (1)	The above remarks also apply to new section 282 B (1) proposed to be inserted by Clause 97 and the same amendment should be made in that section.
90	244A (3)	This section, which follows section 194 (3) of the English Act in prohibiting a liquidator of a company which is being wound up by a Court from paying any sums received by him as liquidator into his private banking account, should be of general application to all liquidations and not merely confined to liquidations of a company which is being wound up by a Court.
94	277 (3)	This clause reproduces the provisions of section 347 of the English Act and makes it compulsory for all Companies incorporated outside British India, whether public or private, to file a balance sheet in accordance with Form F of the Indian Companies Act. My Committee regard it as right and necessary that a balance sheet should be filed, but they do not, for the following reasons, think that it is right that Form F should be specified :—
		Form F is not universally suitable even in India, where Company procedure is not so far advanced as elsewhere, and group companies, even the largest, are a fraction of the size of the larger English groups, with practically none of the enormous ramifications of the latter, *e.g.* :—
		(*a*) Life Insurance Companies in India do not comply with Form F, but with the forms prescribed in the Indian Life Assurance Companies Act. Foreign Life Assurance Companies at present, under section 8 of the Act of 1928, file copies of the returns to be filed in their own country. It is understood that Insurance Companies will be the subject of special legislation, and whatever may be done as regards other companies, pending such legislation, my Committee presume that

Clause of Bill | Section of 1913 Act.

the Indian Life Assurance Companies Act, 1928, will be allowed to stand. Foreign regulations are usually severe enough on Life companies in the matter of published accounts.

(*b*) It would be absolutely impossible for any of the older United Kingdom Companies of any size, to state the original cost of their fixed assets and the depreciation written off under each head, while the analysis of other items, such as "liabilities," would be extremely laborious and of little value.

(*c*) Form F is particularly unsuitable for holding Companies, and it is becoming usual for Companies at home to issue, in addition to their own balance sheets, combined balance sheets of the holding Company and the subsidiaries. These are more informative than Form F would be. Holding Companies have not developed in India to an extent rendering an amendment of Form F necessary but that will probably have to be dealt with in the future.

The Accountancy profession in England is opposed to a fixed form of balance sheet on the ground that it is impossible to have a form suitable for all Companies. Also it is a bar to progress, *e.g.*, many home companies now publish accounts giving the previous year's figures in italics for the sake of comparison. Few Indian companies, if any, do this.

It can easily be imagined that many of the larger foreign Companies, particularly Banks, will be averse to going to the trouble of analysing accounts and returns from all over the world in order to comply with Form F, apart from the impossibility, in many cases, of stating the original cost of fixed assets. They may either.

(*a*) form a private subsidiary company in India, which will file no balance sheet at all, and thus avoid having to file even the balance sheets which they file at present; or

(*b*) form a subsidiary company either abroad or in India, and file a balance sheet which would not be of much use to anyone by reason of the fact that it would give no indication of the standing of the parent company.

In either case capital would be negligible and the home company would be in a position

Clause of Bill.	Section of 1913 Act.	
		to put the subsidiary into liquidation at any time. Although, most companies of standing would not allow a 100 per cent. subsidiary to pay outside creditors less than 16 annas in the rupee, cases have occurred where the parent company has competed with outside creditors. It is manifestly better that persons trading with such companies should have the credit of the parent company to rely upon.
		My Committee therefore consider that it would be much better for the Indian Companies Act to specify, as the English Act does, the matters which must be shown in the balance sheet to be filed with the Registrar, which would of course include such of the items in Form F as are of importance to creditors and the public. A note of the particulars which it is suggested should be specified is attached. (*Vide* Appendix A.)
		It has been suggested that balance sheet filed by a foreign company in Form F may require to be audited in India. My Committee are advised that this is not so, but they think that the point should be put beyond doubt if Form F is insisted upon. In the opinion of my Committee such an audit would be quite unnecessary.
		It is to be noted that the wording of the section of the English Act, which the Bill reproduces, has been criticised by Mr. A. F. Topham, K.C., as making neither grammar nor sense. I am to draw the attention of Government to Mr. Topham's remarks which are reproduced in Appendix B.
		Whatever the final decision regarding the particulars to be shown or the form in which the balance sheet is to be filed, it is essential that sufficient notice should be given to enable companies incorporated outside British India to include the required details in their next balance sheet without having to reconstruct the last balance sheet laid before shareholders. This may mean that this clause would have to come into effect some time after the rest of the Act.
96	277E	My Committee are in sympathy with the desire to control Banking Companies in the interest of the public, but it must be pointed out that in seeking for a comprehensive definition of a Banking Company there is the obvious danger, recognised in all legislation, of excluding important points whether as

Clause of Bill.	Section of 1913 Act.	
		objects or powers. Several important omissions in the definition can be brought to notice, (*e.g.*, no provision is made for a bank which also conducts a travel and passage agency) but in view of the proposals set out below my Committee do not consider it necessary to detail them.
96	277F	Furthermore this clause links up the objects of a Banking Company covered by its memorandum with the definition of a Banking Company in the preceding clauses, and my Committee think there is the distinct danger of confusing the objects of a Banking Company with its powers if the matter is dealt with as proposed in the Bill. There is the further minor objection that the words " for the purpose of carrying on business as a banking company " might have wider application than is believed to be the intention and prevent an existing company, on reconstruction, from carrying on banking as a minor part of its activities ; otherwise the words have no meaning. My Committee believe that a simpler and wider definition of a Banking Company under section 277E is all that is necessary, as follows :— " A banking company means a company which carries on as its principal business the business of banking." This would be in accordance with the existing Act, the English Act and the Reserve Bank Act and the point therefore does not need further elaboration. If, however, it is held by Government that control of mushroom banks is not possible without greater definition, my Committee suggest that their short definition should be adopted as section 277E together with a statutory objects clause in the memorandum for a Banking Company to be referred to under 277F as follows and attached as a schedule to the Act :— (1) " No company formed after the commencement of the Indian Companies (Amendment) Act, 1936, for the purpose of carrying on as its principal business the business of banking or which uses as part of the name under which it proposes to carry on business the word ' bank,' ' banker ' or ' banking ' shall be registered unless its

Clause of Bill.	Section of 1913 Act.	
		Memorandum of Association incorporates as its objects clause the clause contained in Schedule ."
		(2) "Every banking company shall after the commencement of the said Act be deemed to be incorporated with a Memorandum of Association having as its objects clause the clause contained in Schedule ".
		"Provided that the Governor General in Council may, by notification in the *Gazette of India*, amend the objects clause contained in the schedule from time to time as may be necessary."
		A draft objects clause for a banking company's memorandum is appended. (*Vide* Appendix C.)
96	277K (3)	For the last two words "an auditor" substitute "a registered accountant."
97	282B (1)	Between the words "kept" and "by" in the third line the words "or deposited" should be inserted and the words "safe deposit" should be omitted from the next line.
97	282B (2)	As stated in paragraph 7 of the introductory remarks of this letter this clause, which deals with certain provisions as regards Provident Funds, will be the subject of a separate representation.
98(C)	Table A Regulation 78	The words "in each place where it occurs" should be substituted for the words "where it occurs for the second time."
100 (1)(*i*)	Third Schedule Form F.	The words "Issued Capital....shares of Rs.....each" should be deleted from the present form and the proposed amended item should be substituted for the item "Subscribed Capital" and the word "Subscribed" should be used for the word "Issued" wherever it appears in the amendment. *Vide* comment on Clause 26—Section 79(2)(*a*).
100 (1)(*i*)(*b*)	Third Schedule	The word "less" should be inserted before the words "Calls unpaid," the letters and brackets (*a*) and (*b*) being deleted.
100 (1)(*iii*) (*b*)(*v*)	Third Schedule	"Interest outstanding." Substitute "Interest accruing but not due."
		"Interest outstanding" may be included in (*i*), (*iii*), (*iv*) and (*vi*).

Clause of Bill	Section of 1913 Act.	
100 (1)(*iii*) (*a*)(*iv*) and (*b*)(*vi*)	Third Schedule	Section 125 of the English Act prescribes that the aggregate amount of indebtedness to a subsidiary company or subsidiary companies should be set out in the balance sheet separately from all other liabilities. It is more important to show liabilities to subsidiary companies under "secured" than under "unsecured loans" and a separate item should therefore be inserted between (*a*) (*iii*) and (*iv*).
100 2 (*i*)	Third Schedule	Provision might suitably be made under item 2 (*i*) for cases where there has been a reduction in capital or a revaluation of assets, so that the opening figure in the case of fixed assets is the amount at which the asset was revalued.
100 (2) (*iv*)	Third Schedule	The last fourteen words of (*iv*) should be deleted as being impracticable and throwing an unfair burden on the other directors who may have no means of knowledge. It should be noted that section 91A of the Act protects the company.
100		It is put forward as a general recommendation that in order to prevent balance sheets from becoming unwieldy a note should be inserted at the foot of the *pro forma* balance sheet to the effect that instead of giving details of certain items it will be permissible to append such details in the Schedules attached to and forming part of the balance sheet.
100		No provision appears to have been made in the Act for particulars to be given in the balance sheet of the discount allowed on the issue of shares or of so much of that discount as has not been written off at the date of the issue of the balance sheet. (See section 47 (3) of the English Act.) Such provision should be made.
100	Form F	In connection with the item in the balance-sheet "Book Debts" a note prepared by a banking member is attached showing the necessity for clarification of the particulars required to be disclosed in the case of a bank. (*Vide* Appendix D.) My Committee think it important that this should be brought to the notice of Government for such action as they consider necessary.

APPENDIX A.

(See Clause 94.)

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8. Loans outstanding to enable employees or trustees on their behalf to purchase shares in the Company ..	45
9. Particulars showing :—	
(*a*) the amount of any loans which during the period to which the accounts relate have been made either by the Company or by any other person under a guarantee from or on a security provided by the Company to any director or officer of the Company, including any such loans which were repaid during the said period ;	128(1)
and	
(*b*) the amount of any loans made in manner aforesaid to any director or officer at any time before the period aforesaid and outstanding at the expiration thereof ;	
and	
(*c*) the total of the amount paid to the directors as remuneration for their services, inclusive of all fees, percentages, or other emoluments, paid to or receivable by them by or from the Company or by or from any subsidiary Company.	
NOTE (1).—There shall not be required to be shown :—	
(*a*) in the case of a Company the ordinary business of which includes the lending of money, loans made by the Company in the ordinary course of its business ;	128(2)
or	
(*b*) loans made by the Company to any employee of the Company if the loan does not exceed twenty thousand rupees and is certified by the directors of the Company to have been made in accordance with any practice adopted or about to be adopted by the Company with respect to loans to its employees.	
NOTE (2).—The foregoing shall not apply in relation to a Managing Director of the Company, and in the case of any other director who holds any salaried employment or office in the Company there shall not be required to be included in the said total amount any sums paid to him except sums paid by way of directors' fees ..	128(3)
10. Investments, differentiated as in Form F— Where a company is a holding company then the Balance Sheet shall disclose the particulars required by Clause 57 of the Bill (new section 132A).	

APPENDIX B.

Extract from a lecture by Mr. A. F. Topham, K.C., on the Companies Act, 1929, to the Solicitors' Managing Clerks' Association.

"Section 347, a very important one, reads :—

'(1) Every Company to which this part of this Act applies shall in every calendar year make out a balance sheet in such form, and containing such particulars and including such documents, as under the provisions of this Act it would, if it had been a company within the meaning of this Act, have been required to make out and lay before the company in general meeting, and deliver a copy of that balance sheet to the registrar for registration.'

It starts well, and the reader thinks it is going on to say "a balance sheet in such form and containing such particulars and including such documents as would have to be included by an English company." However, it does not go on in that way and makes neither grammar nor sense. It lays down that a company shall make out a balance sheet in such form and containing certain particulars and including certain documents ; that is perfectly good sense. It has, however, not to make out and lay before the Company, but to "make out" a balance sheet including such documents as an English company would have to lay before its general meeting. Is a foreign company therefore obliged to include on its balance sheet a profit and loss account and the other things that ought to go into the profit and loss account—things which a British company is not bound to include in its balance sheet ?

The point becomes important in this way ; a foreign company is bound to register with the Registrar a copy of that balance sheet complying with this section, and there are very severe penalties for default. Moreover—and this is a very important warning—it is possible that an officer may read Section 347, be puzzled to discover what a foreign company has to do, and conclude that it does not matter, as the section provides no penalties. If, however, he turns four sections on, to Section 351, he will find that heavy penalties are laid down to cover Section 347 and certain others. It is, therefore, very important for a foreign company to comply with these provisions."

APPENDIX C.

(*See Clause* 96 (1).)

SCHEDULE.

Objects clause in a Banking Company's Memorandum.

The objects for which the Company is established are :—

(*a*) To establish and carry on the business of a bank whereof the head office or place of business shall be in.....with such branches or agencies as may from time to time be determined.

(*b*) To carry on the business of banking in all its branches and departments including the borrowing, raising or taking up money; the lending or advancing of money either upon or without security; the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hoondees, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, travellers' cheques and circular notes; the buying, selling and dealing in bullion and specie; the buying and selling of foreign exchange including foreign bank notes; the acquiring, holding, issuing on commission, underwriting and dealing in stocks, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others; the negotiating of loans and advances; the receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise; the collecting and transmitting of money and securities; the managing of property and transacting all kinds of agency business commonly transacted by Bankers.

(*c*) To act as Agents for Governments or authorities or for any Bankers, manufacturers, merchants, shippers and others and to carry on agency business of any description including the power to act as attorneys and to give discharges and receipts.

(*d*) To contract for public or private loans and to negotiate and issue the same.

(*e*) To acquire and undertake the whole or any part of the banking and discount business of any persons or company carrying on any business which this Bank is authorised to carry on.

(*f*) To promote, effect, insure, guarantee, underwrite, participate in managing and carrying out any issue, public or private, of State, Municipal or other loans or of shares, stock, debentures, or debenture-stock of any Company, Corporation or Association and to lend money for the purposes of any such issue.

(*g*) To carry on and transact every kind of guarantee and indemnity business and to undertake obligations of every kind and description.

(*h*) To promote or finance or to assist in promoting or financing any business undertakings and industries of any description either existing or now and to develop and form the same either through the instrumentality of syndicates or otherwise.

(*i*) Generally to purchase, take on lease or in exchange, hire or otherwise acquire any immoveable or moveable property and any rights or privileges which the Company may think necessary or convenient with reference to any of the objects for which the Company is established or the acquisition of which may seem calculated to facilitate the realisation of any securities held by the Company or to prevent or to diminish any apprehended loss or liability.

(*j*) To manage, sell and realize all property moveable and immoveable which may in any way come into possession of the Company in satisfaction or part satisfaction of any of its claims; and to acquire and hold and generally deal with any property and any right, title or interest in any property moveable and immoveable which may form part of the security for any loan or advance or may be connected with any such security.

(*k*) To undertake and execute trusts.

(*l*) To undertake the administration of estates for any purpose whether as executor, trustee or otherwise.

(*m*) To transact agency business.

(*n*) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this company or carrying on any business capable of being conducted so as directly or indirectly to benefit this company.

(*o*) To take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert or to minimise financial disturbances which might affect the Company.

(*p*) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Bank or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

(*q*) To construct, maintain and alter any buildings or works necessary or convenient for the purposes of the Company.

(*r*) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture-stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.

(*s*) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all, or any part of, the property and rights of the Company.

(*t*) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.

(*u*) To do all such other things as are incidental or conducive to the attainment of the above objects.

And it is hereby declared that the word 'Company' in this clause shall be deemed to include any partnership of other body or persons whether incorporated or not incorporated and whether domiciled in British India or elsewhere and the intention is that the objects specified in each paragraph of this clause shall except where otherwise expressed in such paragraph be nowise limited or restricted by a reference to or inference from the terms of any other paragraph or the name of the Company.

APPENDIX D.

(*See Clause* 100.)

BANKS.—

Book Debts, i.e., "Loans," "Cash Credits," "Overdrafts," "Bills Discounted" or "Advances."

There is at present much difficulty in complying with the requirements of Form 'F' owing chiefly to the absence of definitions, etc.

Several Banks have taken Counsel's opinion which, of course, is liable to argument.

Origin of requirement.—Bank failures in 1913 when several Banks came to grief because they had lent large sums to their own Directors and to Companies with which their own, i.e., the Bank's own, Directors were concerned.

In some cases the Directors being common to the Banks and the borrowing Companies had guaranteed the advances made by the Banks.

In some cases partnership firms of Managing Agents had guaranteed the advances and some of the partners of these firms were Bank Directors. In other cases the advances were unsecured, i.e., there was one name only.

The intention of the Legislature was to force all Banks to disclose the real state of affairs.

Difficulties—Definition.—Debts due—does this mean Debts in existence ? Debts pending ? or debts which are overdue ?

Advances (i.e., debts due pending or payable to the Bank)—

(1) *Fully Secured.*—A fully secured advance within the spirit of this requirement, is one secured by—

  (*a*) Hypothecation of goods, shares, Government Papers, etc.

  (*b*) Pledge of goods.

  (*c*) Mortgage legal or equitable of landed property, with or without the addition of a promissory note by one or more parties singly or jointly and severally.

(2) *Personally Secured.*—An advance secured by the promissory bill, hundi, etc., of two or more persons.

(3) *Unsecured.*—An advance where the Bank holds one name only. An advance of this nature may be an ordinary unsecured overdraft in current account, or it may be an advance to an individual firm or company in respect of which the Bank holds a promissory note by the borrower—it is essentially an advance on one name only.

Directors' Liability.—The Act requires that disclosure should be made in any case where a Director of the Bank is liable in respect of any advance granted by the Bank. It should now be made perfectly clear whether there should be disclosure in the Bank's Balance Sheet in the case of an advance guaranteed by a Bank Director when such advance has not fallen due for payment, e.g., a cash credit is granted on 1st May 1935 by a bank to the "A.B." Mills Co., Ltd.—the Bank's security is a demand promissory note for Rs. 5,00,000 by—

(*a*) The A.B. Mills Co., Ltd.

and (*b*) X.Y. & Co.

The term of the cash credit is considered to be one year from 1st May 1935 but there is a stipulation to the effect that the advance is repayable on demand. Mr. X is a partner in the firm of X.Y. & Co., Managing Agents of the A.B. Mills Co., Ltd.

Mr. X is a Director of the Bank. The balance of the cash credit —A.B. Mills Co., Ltd., on 30th June 1935 stands at Dr. Rs. 4,00,000.

Question.—Is it necessary for the Bank to disclose the existence of an advance of Rs. 4,00,000 in respect of which a Director of the Bank is liable ?

Answer.—Legal opinion differs.

Some Auditors say Yes—other Auditors say No.

General.—Some Banks regard any promissory note as "Security," i.e., a promissory note by a single individual may be treated as security.

Is this the spirit of the requirement ?

Private Limited Companies.—In the example cited above, X.Y. & Co. is an ordinary firm, the partners are :—

(1) Mr. X ; (2) Mr. Y.

It is decided that the debt due (or pending) by the A.B. Mills Co. Ltd., must be disclosed because Mr. X being a Director of the Bank is personally liable.

For various reasons the firm X.Y. & Co. is converted into a private limited Company, wherein the principal shareholders are Mr. X and Mr. Y.

Question.—Does the fact that X.Y. & Co., Ltd., is a private limited Company obviate the necessity for disclosing the Director's liability ?

Letter No. 1865/228, dated 29th June 1936, from the Chamber of Commerce to the Secretary to the Government of India, Legal Department, Simla.

I am directed to refer to my letter No. 1652/228, dated 20th June 1936 addressed to the Government of Bombay, copies of which were sent to the Government of India in the Department of Commerce and three more copies of which are annexed hereto. In that letter it was stated that Clause 97, proposed new section 282B (2), would form the subject of a separate representation to the Government of India. Proposed new section 282B(2) in clause 97 of the above Bill reads as follows :—

"Where a provident fund has been constituted by a company for its employees or any class of its employees, such fund shall be a trust for the benefit of those employees or that class of employees, and the moneys of the fund shall be invested only in securities mentioned or referred to in clauses (*a*) to (*e*) of Section 20 of the Indian Trusts Act, 1882."

2. The effect of this provision is that fund moneys not already invested in securities of the nature stated must forthwith on the passing of the Bill be so invested.

3. This proposal appears to my Committee to be a most drastic step, the full implications of which, it is suggested, may not have been appreciated when the section was drafted, for in the first place it cuts right across existing legislation in connection with the exemption of Private Provident Funds from Income-tax, *vide* Chapter IXA of the Indian Income Tax Act, 1922, which was inserted by the Indian Income Tax (Provident Funds Relief) Act of 1929 and secondly, for reasons which will be explained, it will operate very hardly against members of Private Provident Funds.

4. In so far as existing Funds which are already Trusts are concerned, the rules framed under the Indian Income Tax Act to govern recognised Funds (i.e., Trusts) allow the moneys of the Funds transferred to the Trust when formed to remain in existing investments, even if those investments were in the business of the company maintaining the Fund. The same is true of the employer's contributions subsequent to recognition and the interest thereon and on the accumulation of such interest. It is only the employee's contribution after recognition and interest thereon and accumulation of such interest which must be invested in securities of the nature prescribed in Section 20(*a*), (*b*), (*c*), (*d*) or (*e*) of the Indian Trusts Act, 1882 (*vide* 26 of Notes and Instructions of the Income Tax Manual).

Furthermore, the rules allow for withdrawals from a recognised Fund for certain specific and stated purposes and practically all Funds have based their Rules as regards withdrawals on the Rules framed in this regard under the Income Tax Act. The contemplated provisions would apparently prevent withdrawals.

5. In all the respects mentioned in paragraph 4, the proposed new section of the Indian Companies Act goes back on the principles recognised and accepted by Govern-

ment in framing the Income Tax (Provident Funds Relief) Act which was passed as recently as 1929 after prolonged consideration by Government in consultation with commercial bodies. My Committe submit that there is no case whatever for overriding those principles in the manner now proposed.

6. My Committee understand that the principle underlying the proposed new section is that the savings of a member of a provident fund maintained by a Company should not be lost to him, if the Company goes into liquidation. They are in sympathy with the principle but they cannot agree that Government's proposal for achieving the object will be fair on members of Private Provident Funds. It may in fact in certain cases result in great hardship because members of Funds, whether the Funds are Trusts or not, will in cases where the moneys of the Fund are not already invested in Trust securities suffer a severe loss of savings owing to (*a*) a considerably lower rate of interest on their savings and (*b*) depreciation in investments owing to the very high level at which Government securities are now standing. Furthermore, it may not be financially practicable for all Companies to comply with the provision to form a Trust and transfer to Trust securities the moneys of the Fund which they at present maintain. Alternatively for the sake of their employees they may not be willing to comply. Some Funds might therefore have to be closed down and others might be turned into Deposit Savings Accounts or something similar. In either of these events the amounts becoming due to members will be treated as part of the income of those members for the year in which payment is made and they will become liable to Income-tax, and possibly also to Super-tax, at a rate not properly applicable to their yearly income. They may also lose the past and future benefits of their employers' contributions and accumulated interest thereon which in all Funds are revocable unless certain conditions are fulfilled.

Whether therefore Companies maintaining Provident Funds were in a position to comply with the proposed new regulation or not, members of the Funds would suffer materially and it is submitted that the proposed legislation would immediately harm many more individuals than it would ultimately benefit.

7. There is the further consideration that for those members of Funds who are Europeans and will ultimately be retiring out of India it is unduly restrictive to limit the investment of the total moneys to the securities allowed by clauses (*a*) to (*e*) of Section 20 of the Indian Trusts Act.

Even if the proposal were otherwise acceptable, which it is not, the section should at least provide for a range of securities as wide as permitted under the English Trustee Act.

8. My Committee further desire to point out that firms as well as companies maintain Provident Funds and they submit that legislation which will affect some but not all Funds is bad.

9. On all the grounds above mentioned my Committee have reached the conclusion that not only is the proposal in its present form wrong and unfair in its incidence but that it is quite inappropriate to legislate for the control of Provident Funds in the Indian Companies Act. They strongly recommend therefore that the clause should be dropped from the Bill.

10. There is, however, one way in which it seems to my Committee that it would be right and proper to give effect in the Indian Companies Act to the principle of protection of Provident Fund savings, viz. by including them under Sub-section (1) of Section 230 of the Act with other priority debts in the event of liquidation, in just the same way as

the Bill proposes by Clause 83 to deal with payments due under the Workmen's Compensation Act.

My Committee understand that this would be in line with recent decisions of the Courts and my Committee put forward the definite proposal for the favourable consideration of Government that an additional sub-section be added under Clause 83 of the Bill which might read :—

"(*e*) All sums due to any employee from a Provident Fund the assets of which are mingled with the assets of the Company, but to the extent only to which the assets of the Fund have been so mingled."

Letter No. 3521/228, dated 2nd December 1936, from the Chamber of Commerce, to the Secretary to the Government of India, Department of Commerce, New Delhi.

I have the honour to inform you that my Committee have been favoured with a copy of a letter dated the 19th instant addressed by the Bengal Chamber of Commerce to the Government of India, Department of Commerce, on the above subject. Since then a notification has been issued stating that the Indian Companies (Amendment) Act, 1936, will come into force on 15th January 1937. My Committee desire strongly to support the recommendation of the Bengal Chamber that provision should be made to give existing companies a period of grace at least until 30th June 1937 before they should be bound to comply with the provisions referred to in the Bengal Chamber's letter, or, alternatively, that penalties for technical breaches of the Indian Companies (Amendment) Act, 1936, should be suspended during the first year of its operation.

Letter No. 1945/228, dated the 7th July 1936, from the Secretary, Bombay Chamber of Commerce, to the Officiating Deputy Secretary to the Government of Bombay, Finance Department, Bombay.

In continuation of my letter No. 1652/228, dated the 20th ult., I am directed to refer to Clause 100 (2) (*ii*) and

(*iii*). It is not clear to my Committee whether the requirements under the heading "Advances" are intended to apply to Banks, which show loans under the heading "Book Debts." After careful consideration my Committee are of the opinion that it will be impracticable for a Bank to comply with the requirements under Clause 100 (2) (*iii*) (*ii*). The English Act grants exemption from these requirements in the case of companies whose ordinary business includes the lending of money and, in the opinion of my Committee, it should be made clear that the Indian Act does the same.

2. I am to add that if the Chamber's recommendations under Clause 33 (Section 86D) and Clause 35 (Section 87D) regarding loans to directors and managing agents are accepted the first part of Clause 100 (2) (*iii*) (*ii*) will require amendment.

THE INDIAN FINANCE ACT, 1936.

(*Made by the Governor-General on the* 31*st March*, 1936.)

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix minimum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax.

Whereas it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax ; it is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Indian Finance Act, 1936.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

2. *Fixation of salt duty.*—The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable

the Governor-General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma or Aden, be construed as if, for the year beginning on the 1st day of April, 1936, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

3. *Inland Postage rates.*—For the year beginning on the 1st day of April, 1936, the Schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

4. *Income-tax and super-tax.*—(1) Income-tax for the year beginning on the 1st day of April, 1936, shall be charged at the rates specified in Part I of the Second Schedule, increased in each case by one-twelfth of the amount of the rate.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1936, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule, increased in each case by one-twelfth of the amount of the rate.

(3) For the purposes of the Second Schedule 'total income' means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

(4) For the purpose of any assessment to be made for the year ending 31st March, 1937, the rate of income-tax applicable to such part of the total income of any person as is derived from salaries or from interest on securities paid in the year ending 31st March, 1936, shall be the previous year's rate, and for the purposes of refunds under

sub-section (1) or sub-section (3) of section 48 in respect of dividends declared in the year ending 31st March, 1936, or of payments made in the said year of salaries or of interest on securities, the rate applicable to the total income of the person claiming refund shall be the previous year's rate.

Explanation.—In this sub-section the term 'previous year's rate' with reference to any person means the rate of income-tax which would have been applicable to his total income if he had been assessed for the year ending 31st March, 1936, on a total income equal to that on which he is assessable for the year ending 31st March, 1937.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See* section 3.]

THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See* section 7.]

Letters.

For a weight not exceeding one tola	One anna.
For every tola, or fraction thereof, exceeding one tola.	Half an anna.

Postcards.

Single	Nine pies.
Reply	One and a half annas.

Book, Pattern and Sample Packets.

For the first five tolas or fraction thereof	Nine pies.
For every additional five tolas or fraction thereof in excess of five tolas.	Six pies.

Registered Newspapers.

For a weight not exceeding ten tolas	Quarter of an anna.
For a weight exceeding ten tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE II.

[*See* section 4.]

PART I.

Rates of Income-tax.

		Rate.
A.	In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
	(1) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Six pies in the rupee.
	(2) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Nine pies in the rupee.
	(3) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.	One anna in the rupee.
	(4) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	One anna and four pies in the rupee.
	(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna and seven pies in the rupee.
	(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and eleven pies in the rupee.
	(7) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000.	Two annas and one pie in the rupee.
	(8) When the total income is Rs. 1,00,000 or upwards.	Two annas and two pies in the rupee.
B.	In the case of every company and registered firm, whatever its total income.	Two annas and two pies in the rupee.

PART II.

Rates of Super-tax.

	Rate.
In respect of the excess over thirty thousand rupees of total income—	
(1) in the case of every company—	
(*a*) in respect of the first twenty thousand rupees of such excess.	*Nil.*
(*b*) for every rupee of the remainder of such excess.	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first forty-five thousand rupees of such excess.	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna and three pies in the rupee.
(*b*) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the first twenty thousand rupees of such excess.	Nine pies in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess.	One anna and three pies in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the next fifty thousand rupees of such excess.	One anna and nine pies in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess.	Two annas and three pies in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess.	Two annas and nine pies in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess.	Three annas and three pies in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess.	Three annas and nine pies in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess.	Four annas and three pies in the rupee.

	Rate.
(*vii*) for every rupee of the next fifty thousand rupees of such excess.	Four annas and nine pies in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess.	Five annas and three pies in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess.	Five annas and nine pies in the rupee.
(*x*) for every rupee of the remainder of such excess.	Six annas and three pies in the rupee.

THE BUDGET.

Extract from the proceedings of a meeting of the Legislative Assembly, held in New Delhi, on Saturday, 27th February, 1937.

Speech by the Hon'ble Finance Member on introducing the Budget Proposals for 1937-38.

1. In my two previous Budget speeches I have had to tell a story of good fortune, of expectations more than realised, of reductions of taxation and of grants for various kinds of development. Today I have a different kind of story to tell, a story of disappointment, and of unexpected difficulties superimposed upon those which we expected and had braced ourselves to bear. Nevertheless the story will, I hope, show that the difficulties can be surmounted with little hardship or even inconvenience and that being so, the confidence in the future which I have hitherto expressed need only be tempered and certainly not abandoned.

Having thus aroused your curiosity I will proceed at once to the first of my three tasks, viz., that of resurrecting a financial year which has been for a long while dead.

Financial Year 1935-36.

2. When I presented the budget a year ago I anticipated a surplus of Rs. 1,97 lakhs for the year ending the

31st March 1936 and this I asked the House to transfer to a Revenue Reserve Fund to help out the finances of 1937-38, the first year of Provincial Autonomy. This carry-forward has turned out to be Rs. 1,84 lakhs or Rs. 13 lakhs less than we expected. There were improvements of Rs. 27 lakhs under Taxes on Income and there was an increase of Rs. 16 lakhs under interest receipts combined with a saving of Rs. 13 lakhs under interest payments. There were also miscellaneous increases of receipts amounting to Rs. 19 lakhs but all these improvements were more than swallowed up by decreases of Rs. 27 lakhs under Salt and of Rs. 61 lakhs under Customs. The former was due to postponement of clearances at the end of the year. This usually happens when there is an expectation of a reduction in the rate of duty but in this case the expectation was singularly ill-founded for it was based on nothing more than what I may perhaps without undue disrespect call one of the more optimistic votes given by the Party opposite. Of the recession under Customs no less than Rs. 36 lakhs was attributable to the sugar import duty alone and this heavy deterioration represented a complete reversal in the last two or three months of the financial year of the tendencies which had been in vogue in the earlier months. I would remind Hon'ble Members that I drew their attention to it during the debates on the Finance Bill, when I said " We now have 11 months figures to go on and to give only one example, the receipts from the sugar import duty in February were only Rs. 5 lakhs whereas the corresponding figure for the year before was something over Rs. 20 lakhs, I believe, and it is now quite clear that we have overshot the mark in the revised estimates for the yield of sugar import duty."

The striking decline in the volume of sugar imports was accompanied by some diminution in the general import trade, and particularly the trade in the more highly dutiable commodities. The putting into effect of sanctions against imports from Italy must have contributed something to this unfavourable result. At the same time imports of

silver began to show a marked increase, a diversion of India's purchasing power into a channel which, at any rate from the revenue point of view, is comparatively sterile and unprofitable, since the incidence of the duty on these imports is much lower than on imports of merchandise.

Financial Year 1936-37.

3. The tendencies which disclosed themselves in February and March certainly did not disappear with the end of the financial year but were an only too accurate presage of what was to come in 1936-37. The revised forecast for that year shows, instead of a surplus of Rs. 6 lakhs, a deficit of Rs. 1,97 lakhs. There is an excess of Rs. 25 lakhs in expenditure and a deterioration in revenue of Rs. 1,78 lakhs.

Excluding Railways, the figures are as follows :—

(Rs. lakhs.)

	Budget, 1936-37.		Revised, 1936-37.
Revenue	83,14		81,36
Expenditure ..	83,08		83,33
Surplus ..	6	Deficit	1,97

Hon'ble Members will find the estimates set out in detail in the Financial Secretary's memorandum but I shall naturally be expected to supplement the figures with a few explanations.

Revenue.

4. To turn first to Revenue. The main elements in the total deterioration of Rs. 1,78 lakhs are as follows :—

Deficits of Rs. 2,16 lakhs, Rs. 37 lakhs and Rs. 28 lakhs under Customs, Income Tax and Currency, respectively and Improvements of Rs. 41 lakhs, Rs. 37

lakhs and Rs. 10 lakhs under Central Excises, Miscellaneous and Salt.

5. *Customs.*—As I have just indicated we now expect a shortfall of Rs. 2,16 lakhs. There are two large surpluses, *viz.*, Silver Rs. 1,53 lakhs and Artificial Silk Piecegoods Rs. 55 lakhs but in practically every other commodity there has been a decline. Sugar Rs. 1,45 lakhs, British piecegoods Rs. 75 lakhs, Metals other than iron and steel Rs. 40 lakhs, while the large number of smaller deficits over the remainder of the field add up to nearly Rs. 1¾ crores.

The extremely heavy fall in the receipts from imported sugar tells its own tale, but I cannot refrain from pointing out the justification which this affords for my refusal in the last two years to commit myself to a programme of remissions of taxation on the strength of the more or less indefinite continuance of this source of revenue. As regards British piecegoods, it is clear that the exaggerated apprehensions that were expressed in certain quarters when the recommendation of the Tariff Board was accepted were unfounded. In spite of the reduction in the duty the U. K. products have not so far succeeded in recapturing any part of the markets which they held till comparatively recently, and the prices have remained largely beyond the reach of the Indian purchaser. The decrease in the import of metals reflects the enhanced European demand for rearmament purposes which, together with the inevitable rise in prices, has restricted delivery of supplies to India. The contraction in other fields of our import trade may also be ascribed in part to the difficulty and uncertainty which attends the fulfilment of orders for manufactured goods from Europe. I have already mentioned the effect of the sanctions against Italy, the imports from which completely ceased for some months and are still only slowly being resumed. Another reason for the weakening of the import trade may perhaps be sought in the effect of the rural indebtedness measures passed in various provinces : these have, for the moment at

any rate produced a contraction of credit and reduced the expenditure of the cultivator especially on ceremonial occasions, and his purchases of dutiable goods. Finally, I am prepared to admit that our estimates may have been pitched too high, and that in our efforts to turn the flank of the accusations of deliberate under-budgetting which have been so plentifully thrown at us we may have advanced somewhat too far.

6. I will now comment briefly on the variations in some of the other heads of Revenue.

(*i*) *Taxes on Income.*—The deterioration of Rs. 37 lakhs under this head is due in the main to two causes. The first is a decline in income tax receipts from sugar manufacturing companies. The establishment of an unnecessarily large number of sugar factories in certain areas has inevitably led to price-cutting, started primarily by companies which owing to financial or climatic reasons were unable to hold stocks. This has entailed a considerable reduction in the profits of the industry as a whole. The other cause is the fall in the profits of money-lenders. Provincial Rural Indebtedness Acts while improving the position of the debtor have reduced recoveries and made the lender less willing to make further advances so that there has been a falling off both as regards his rate of profit and as regards his volume of business.

(*ii*) *Currency.*—The variation here is due to a decrease of Rs. 29 lakhs in the Government share of the Reserve Bank's profits owing to the low yield obtainable on the somewhat restricted types of security, in which alone the Bank is allowed by law to invest its assets.

(*iii*) *Central Excise Duties.*—The rapid attainment of self-sufficiency in sugar is responsible for an increase of Rs. 35 lakhs under sugar excise but this is of course greatly outweighed by the heavy fall in customs duty.

(*iv*) *Miscellaneous.*—The increase of Rs. 37 lakhs under Miscellaneous includes Rs. 24 lakhs on account of

Post Office Cash Certificates issued prior to 1923 and Rs. 10 lakhs of gain on exchange. In future the amounts of any Cash Certificates unclaimed for more than 3 years after maturity will be credited to revenue. Of course if certificates are subsequently presented they will be paid and there will be a corresponding debit to revenue.

Expenditure.

7. I now turn to expenditure where the revised forecast shows a net increase of Rs. 25 lakhs over our original estimates. Owing to heavier discharges of Post Office Cash Certificates Interest Charges are expected to be Rs. 46 lakhs up. For the rest there are a number of savings under Civil Administration and Civil Works which together add up to Rs. 20 lakhs or so. The more important of these are the underspendings on the provision for the Delhi refuse and sewage disposal schemes.

Defence.

8. On Defence I must as usual elaborate somewhat.

The estimate for the year was Rs. 44,85 lakhs ordinary expenditure *plus* Rs. 60 lakhs for Quetta or a total of Rs. 45,45 lakhs. In the ordinary budget the Revised Estimates reveal the following variations :—

There have been underspendings totalling Rs. 65 lakhs in all. Most of these are very small—the only items of note being Rs. 9 lakhs on account of the absence of troops from India and Rs. 12 lakhs owing to the effects of the "War Block" scheme having been more rapid than was expected. On the other hand there have been excesses amounting to Rs. 33 lakhs—the bulk of this being due to increased demands for stores—and a number of minor new and unforeseen expenditures adding up to Rs. 15¼ lakhs. Then we have had to provide Rs. 11¼ lakhs for the Waziristan operations and in the final analysis underspending has been no more than Rs. 5½ lakhs and this is the amount which we expect to lapse to the Defence Reserve Fund.

During the year in addition to the Rs. 5½ lakhs mentioned above sums of Rs. 33 lakhs representing contributions to military equalisation funds and Rs. 45 lakhs representing postponed liabilities will be deposited in the fund.

As regards expenditure on Quetta about Rs. 50 lakhs will have actually been spent on reconstruction work, etc., and Rs. 10 lakhs will be carried forward to meet further expenditure on this account in 1937-38. This latter figure of Rs. 10 lakhs is included in the sum of Rs. 45 lakhs which I have just mentioned above.

Posts and Telegraphs.

9. To round off my survey of the current year I say a few words about Posts and Telegraphs. The revised forecast provides for a surplus of Rs. 8 lakhs as against a nominal surplus of Rs. 1 lakh anticipated in the original budget. This is the result of savings of Rs. 12 lakhs under working expenses and Rs. 1 lakh under interest charges and a deterioration of Rs. 6 lakhs under receipts. The saving under working expenses is due partly to economies in expenditure and partly because certain claims from other departments did not materialise. The Revised estimate of receipts takes into account a refund of about Rs. 9 lakhs to Provincial Governments on account of their share of unified stamps for the years 1930-31 to 1933-34.

The revenue and expenditure figures are :—

	(Rs. lakhs.)	
	Budget, 1936-37.	Revised, 1936-37.
Gross receipts	11,74	11,68
Working expenses	10,93	10,81
Net receipts	81	87
Interest charges	80	79
Surplus	1	8

Position as at 31st March 1937.

10. So, on the basis of these figures the position is that we are faced with a deficit of Rs. 1,97 lakhs in the current year. This represents a considerable falling off from our hopes of a year ago and it is bound to make us re-examine with some care the foundations on which the Niemeyer proposals for subventions and allocations of revenue to the Provinces rest. However, I propose to leave this examination over until after we have considered the estimates for 1937-38.

FINANCIAL YEAR 1937-38.

11. I am afraid that Hon'ble Members will be rather puzzled when they see the budget statements to be distributed at the end of my speech, for there are considerable changes both in the form and scope of the estimates. These I will explain as briefly as I can and I hope without tedium. First of all there are the changes of form :—

The present system of account heads was introduced in 1921 when a general transformation of the accounts was necessitated by the separation of the revenues and expenditure of the Centre from those of Provincial Governments. Although there have been minor modifications from time to time the general composition has remained the same throughout and there is an obvious convenience in maintaining the present structure with no more than the minimum of change required to adapt it to the new constitution which is being introduced on April the 1st. Apart from the conversion of a few of the present minor heads into major heads the important changes adopted are as follows :—

(*i*) All-India Excise duties which are levied by the Central Government are, with the exception of the salt duty, at present included under the head "I.—Customs." They are of course not customs duties at all and in view of their importance in the Federal Finance scheme separate major heads have been introduced for them both on the

expenditure side. The duty on kerosene oil and motor spirit produced in Burma has hitherto been shown as an excise duty. But with the separation of Burma on the 1st of April 1937 the duty on these articles imported from Burma will appear as an import duty under "I—Customs" and only the duty on kerosene and motor spirit produced in India proper will be shown as an excise duty. This will lead to large changes in the figures for import and excise duties on these two items for next year as contrasted with preceding years.

(*ii*) A new major head "Corporation Tax" has been opened and the designation of the existing major head "Taxes on Income" has been changed to "Taxes on Income other than Corporation Tax."

(*iii*) The House will remember that in the budget speech last year I remarked that I could not see any sufficient reason for the exhibition of our interest payments under two separate major heads and it has now been decided that all these payments should be classified under the same head "Interest on debt and other obligations."

(*iv*) Most of the expenditure which, under the existing classification, is shown under the heads "Political," "Frontier Watch and Ward" and "Territorial and Political pensions" together with part of the expenditure at present shown under certain other heads in some of the Area Demands will appear under new heads "Payments to Crown Representative," "Tribal Areas" and "External Affairs."

All sums required on revenue account by His Majesty's Representative for the exercise of the functions of the Crown in its relations with Indian States under Section 145 of the new Government of India Act, *less* any revenue receipts realised by him in the exercise of such functions will be shown under the head "Payments to Crown Representative." The cash contributions referred to in Section 146

of the Act will as hitherto appear as "Payments from Indian States."

(*v*) A new major head "Grants-in-aid to Provincial Governments" has been introduced to cover the grants given to the Provinces under the Niemeyer Award.

(*vi*) At present all sterling receipts and expenditure of the Central Government and Provincial Governments are finally brought to account in England and as a result each Government has two sets of accounts, one for sterling and the other for rupee transactions. But in future all sterling transactions, with the exception of a few debt head transactions which are essentially of a sterling nature, will be brought to account finally in India. As a result the separate column in the Budget Statements for English transactions and the separate demands for all the expenditure incurred in England by the Secretary of State and the High Commissioner will not be necessary.

All these changes have been incorporated in the budget statements for 1937-38 and to make comparison easier the figures for 1935-36 and 1936-37 have, as far as possible, been recast correspondingly.

12. But apart from the changes of form there are two major changes of scope which affect the estimates for 1937-38. I refer of course to the Separation of Burma and to the Niemeyer Award including in this term all the other alterations consequent upon the introduction of Provincial Autonomy. The effects of these changes run through practically every head of the Budget and in order to present them as conveniently and clearly as possible to Hon'ble Members I have had a special table drawn up (Table I in the Financial Secretary's memorandum) which will show how much of the variation in each head between 1937-38 and 1936-37 is attributable to the Separation of Burma and to Provincial Autonomy respectively. This Table will make it unnecessary for me to comment on variations in the Heads of Revenue and Expenditure except where they

arise from causes other than the two main ones. It will be seen that the general effect of the Separation of Burma is a net reduction of Revenue of Rs. 3,38 lakhs and a net reduction of Expenditure of Rs. 92 lakhs—these figures taking no account of a betterment of Rs. 13 lakhs in the net balance of the P. & T. Department. The net cost of separation is therefore Rs. 2,33 lakhs. At this stage I should explain that on the Revenue side we have taken credit for the receipt, under the Amery Award, of

(*i*) Rs. 2,29 lakhs in respect of the debt and other liabilities taken over by Burma, and

(*ii*) Rs. 94 lakhs in respect of Burma's liability for pensions in course of payment on the 31st March 1937.

The former amount is the provisional figure of the annuity payable by Burma for the next 45 years and the latter represents the first of a series of annual payments which will diminish gradually to zero over a period of 20 years. Apart from these the net loss on account of separation would be Rs. 5,56 lakhs. Needless to say all these figures are of a provisional character. There are many uncertain factors to be taken into account particularly under the heads Customs and Taxes on Income and moreover the final material for the calculation of the annuities payable by Burma will not be available until some time after the 31st March.

As regards Provincial Autonomy, the net results are a reduction of Rs. 51 lakhs in Revenue combined with an increase of Rs. 1,34 lakhs in Expenditure, *i.e.*, a total cost to the Centre of Rs. 1,85 lakhs.

The sum of these two figures, viz., Rs. 4,18 lakhs represents the extra burden on our budget (i.e., additional to that assumed in earlier years) arising from the constitutional changes due on 1st April next. The charges assumed in earlier years including the devolution of 50 per cent. of

the Jute Duty and the subventions to the N. W. F. P., Sind and Orissa amount to more than as much again.

13. *Provincial Borrowing.*—This is perhaps a convenient place for me to explain the arrangements which will rule between the Centre and the Provinces as regards payment of existing debts and future borrowings.

As the House is aware a Provincial Loans Fund was established in 1925 in order to systematise the arrangements by which advances were made by the Centre to the Provinces. This was financed out of Central Government monies and all advances sanctioned by the Central Government to Provincial Governments were made from it; the interest charges and the terms of repayment were fixed for all provinces alike at appropriate rates to ensure the solvency of the Fund. It has now been realised that this procedure will be totally inappropriate under the changed conditions more particularly as serious defects in it have manifested themselves even under the present regime.

The Government of India have, therefore, with the sanction of the Secretary of State, reached the following decisions:—

(*i*) No further loans will be sanctioned to the Provinces from the Provincial Loans Fund with effect from the current year. Essential requirements during this last year of the old regime will be met by loans to be given by the Centre direct for a period not exceeding 18 months and which will before the end of that time have to be converted into regular loans under the new system.

(*ii*) The Provincial Loans Fund will be wound up.

(*iii*) All future borrowing by Provinces whether for long or short term, will ordinarily be from the market through the medium of the Reserve Bank. In exceptional circumstances a province may be forced to borrow from the

Centre and in such cases the loans will be for specific round amounts on fixed terms while the rate of interest will include an element to compensate the Centre for expenses and risks. The terms of each loan to a province will be settled *ad hoc* in relation—as regards interest rates, maturity and the time of issue—to particular operations of the Centre. The Government of India will not normally, if at all, lend for the purpose of meeting revenue deficits; and

(*iv*) existing provincial debts to the Government of India will be consolidated on the terms set out in Appendix III to the Niemeyer Report.

As a result of this consolidation the balances of the Provincial debts to the Government of India as on the 1st April next will, with the exception of the Lloyd Barrage debt, certain loans advanced to the Bombay Government and Rs. 10 crores of the pre-1921 Punjab debt, be funded into fixed annuities of amounts sufficient to repay the whole liabilities over a period of forty-five years. The interest element in these annuities will be credited to the Budget head "Interest on Debt and other Obligations" while the capital element will be taken straight to the reduction of debt outside the Budget.

With these possibly somewhat too extensive preliminaries I turn to the estimates for next year, 1937-38.

Financial Year 1937-38.

Revenue.

14. The total figure for revenue, including a contribution of Rs. 15 lakhs from Railways, is Rs. 79,99 lakhs, or Rs. 1,37 lakhs less than the revised Estimate for 1936-37. Hon'ble Members will remember that the constitutional changes are responsible for a reduction of Revenue of Rs. 3,76 lakhs.

15. *Customs.*—The budget estimate for next year is Rs. 44,66 lakhs against the current year's revised of

Rs. 46,73 lakhs, in other words, a decrease of Rs. 2,07 lakhs. If, however, we exclude the loss of Rs. 4,26 lakhs due to the separation of Burma, the estimate for next year provides for an improvement over the current year's revised forecast of Rs. 2,19 lakhs, which is distributed over a large number of items.

16. *Taxes on Income.*—The budget estimate for next year is Rs. 14,30 lakhs against the current year's revised of Rs. 15,30 lakhs. After allowing for a loss of Rs. 1,40 lakhs owing to the separation of Burma, the estimate for next year anticipates an improvement of Rs. 40 lakhs, of which Rs. 20 lakhs is due to the measures to be taken under the Income Tax Bill which has already passed this Chamber.

Expenditure.

17. The total figure for expenditure, of course, excluding Railways, is Rs. 83,41 lakhs or Rs. 8 lakhs more than the revised estimate for the current year. But as the two constitutional changes I have described in detail are expected to produce an increase of Rs. 42 lakhs there is really a net reduction of Rs. 34 lakhs over the remainder of the field.

This figure of Rs. 34 lakhs we can put down as the resultant of the following decreases and increases :—

Interest payments show a net reduction of about Rs. 87 lakhs, largely due to a considerable diminution in "Bonus on Post Office Cash Certificates." There is also a saving due to the repayment of the 5½ per cent. sterling loan but the main benefit of this accrues to the Railways and other borrowers. The separation of Aden will produce a saving of Rs. 20 lakhs a year which of course accrues to the Defence Budget. On the other hand ordinary Defence Expenditure apart from the saving on account of Burma and Aden is up by Rs. 26 lakhs. "Civil Works" are up by Rs. 25 lakhs owing partly to an increased transfer to the

Road Fund and partly to provision being made for various Government office schemes such as rebuilding the Customs House in Calcutta and the erection of Central Offices in Bombay. Incidentally I must say that as regards Bombay the rents saved will more than cover interest on the cost of the new building and the maintenance of it. Finally there is an increase in " Civil Administration " partly caused by the necessity for re-voting some of the expenditure on the Delhi refuse scheme.

18. *Defence.*—The Defence Estimates total Rs. 44,62 lakhs. Of this Rs. 43,87 lakhs relates to ordinary expenditure and Rs. 75 lakhs to expenditure on the rebuilding of Quetta.

The figure of ordinary expenditure for 1936-37 is Rs. 45,45 lakhs less Rs. 60 lakhs for Quetta, i.e., Rs. 44,85 lakhs. From this should be deducted Rs. 1,24 lakhs being the reduction allowed for in the 1937-38 estimates on account of the separation of Burma and Aden. The comparable figure for 1936-37 is therefore Rs. 43,61 lakhs or Rs. 26 lakhs less than the estimate of Rs. 43,87 lakhs now presented. Included in this excess is a special provision of Rs. 6 lakhs towards the expenses of sending a Contingent of the Army in India to the Coronation. The real excess is therefore Rs. 20 lakhs. This is much more than accounted for by increases of Rs. 25 lakhs under Ordnance Services, Rs. 14 lakhs under grain prices, Rs. 3 lakhs under transportation due to the withdrawal of a Railway concession, Rs. 7 lakhs under the pay of British soldiers and miscellaneous unavoidable increases totalling about Rs. 11 lakhs. So that taking these into account there has been a reduction over the rest of the field of something like Rs. 40 lakhs. This represents the contribution which the Defence authorities have been asked to make to our, I hope, temporary difficulties in this most difficult of years. But this expedient cannot be repeated very often if at all for, as H. E. the Commander-in-Chief has pointed out to me, the figures have

only been reached by the help of a curtailment of services which are bound to be provided for sooner or later—and sooner rather than later. Indeed His Excellency, while he is prepared to face in this year the curtailments involved, has warned me that he is seriously concerned as to the adequacy of the present figures for the real needs of defence.

19. *Posts and Telegraphs.*—It is anticipated that the working of the department in 1937-38 will result in a small surplus of Rs. 4 lakhs after allowing for the separation of Burma and Aden. For purposes of comparison I give below the figures including and excluding Burma and Aden :—

(Rs. lakhs.)

	Revised, 1936-37.	Budget, 1937-38 including Burma and Aden.	Budget, 1937-38 excluding Burma and Aden.
Gross receipts..	11,68	11,91	11,16
Working expenses	10,81	11,21	10,39
Net receipts	87	70	77
Interest charges	79	79	73
Surplus or deficit	+8	—9	+4

Comparing like with like, the budget estimate of gross receipts provides for an increase of Rs. 14 lakhs over the revised figure for 1936-37, apart from the special refund of Rs. 9 lakhs I mentioned previously. The main items in the increase of Rs. 40 lakhs under working expenses are Rs. 12 lakhs for increments, Rs. 8 lakhs for the Empire Air Mail Scheme and Rs. 5 lakhs for additional postal facilities in rural and urban areas.

The estimates for next year provide for two small changes in rates. The first is a change in the book packet rate. The present rate is ¾ anna for the first five tolas and ¼ anna for every additional five tolas. As the House is

aware, it has frequently been urged that this rate affects trade adversely and it has been pointed out that it is cheaper to send a book packet from London to Delhi than from Bombay to Delhi. We propose, therefore, to reduce the rate to half an anna for the first 2½ tolas and one quarter of an anna for every additional 2½ tolas. This concession will cost about Rs. 8 lakhs. The second change is the removal of an anomaly in the parcel rates. The present minimum parcel rate is 2 annas for parcels weighing not more than 20 tolas with the result that as soon as a letter weighs more than 3 tolas it is possible, by sending it as a parcel, to pay less than the letter rate. At certain stages the parcel rates become even cheaper than the book packet rates. We therefore propose to eliminate the 2 anna rate for parcels so that all parcels weighing 40 tolas or less will be charged 4 annas. This will yield an additional revenue of about Rs. 8 lakhs which will just balance the loss due to the concession in the book packet rate.

Summary of the position for 1937-38.

20. I am now in a position to summarise the estimates for 1937-38 and the figures are as follows :—

Revenue	.. 79,99	lakhs.
Expenditure	.. 83,41	,,
Gross deficit	.. 3,42	lakhs.

Against this we have Rs. 1,84 lakhs in the Revenue Reserve Fund and so our Net Deficit is Rs. 1,58 lakhs.

But, before dealing with the problem of meeting this shortage, I turn aside for the usual review of our Ways and Means position.

Ways and Means.

21. *Remittance.*—The ways and means forecast for the current year assumed our sterling requirements to be

£41 millions, including about £17 millions for the repayment of the 5½ per cent. Stock 1936-38 and the revised forecast shows practically no change. Between the 1st April 1936 and the 31st January 1937 the Reserve Bank purchased nearly £41 millions of sterling. The Banking Department held at the end of January more than £16 millions of sterling assets while in the Issue Department the ratio of gold and sterling to liabilities was nearly sixty instead of the statutory forty per cent. The position of the Bank is thus a very strong one in spite of this repayment of £17 millions of sterling liabilities. Although the net exports of treasure dropped from Rs. 32 crores to Rs. 14 crores in the first nine months of the year Exchange has remained firm throughout the year mainly on account of the large favourable balance of trade in merchandise which has been accompanied by steadily rising prices of primary products. During the first nine months of the current financial year this favourable balance amounted to Rs. 50 crores against Rs. 19 crores during the corresponding period last year. It certainly does not look therefore as if the rupee were over-valued—in fact there is a good deal more to be said for the contrary view.

The requirements for next year are estimated at £35 millions, inclusive of £6 millions which it is anticipated will be transferred to the Commissioners appointed under the Family Pension Funds Order in Council and £2 millions which will be needed for the repayment of the capital portion of the Railway Annuities and the Railway Sinking Funds.

22. *Provincial Requirements.*—The revised estimate of the requirements of Provincial Governments amounts to Rs. 6,57 lakhs against the budget estimate of Rs. 5,61 lakhs; the increase is more than accounted for by the withdrawal by certain provinces of the amounts available in their Famine Relief Funds for direct investment. With the introduction of Provincial Autonomy and the separation of the balances of Provincial Governments from the 1st

April next the transactions of those Governments will not appear in the accounts of the Central Government. In the first year, however, we shall have to hand over to them in cash a portion of the balances which the Central Government has hitherto held on their account. The cash to be transferred to Provinces on the 1st April is Rs. 2,39 lakhs for minimum bank and treasury balances and Rs. 6,21 lakhs as their free and other earmarked balances. We shall also have to give the Government of Burma Rs. 2,00 lakhs in cash but this amount will be taken into account in the financial settlement with that Government. The total sum included in the estimates for all these items is Rs. 10,60 lakhs.

23. *Borrowing programme.*—The budget for the current year assumed an increase of Rs. 11 crores in our liability in the shape of Treasury Bills, but made no provision for a rupee loan. Later in the year Government decided to take advantage of the exceptionally favourable conditions in the money market and issued a 2¾ per cent. loan 1948-52 for Rs. 12 crores at par. Consequently there will be no increase in Treasury Bills and the balance outstanding at the end of the current year will in fact be slightly less than that at the beginning of the year, namely, Rs. 30 crores. As I have already said a sterling loan of £17 millions was repaid during the year and thus in effect we have been able to repatriate a considerable sterling liability and at the same time lower the cost to the taxpayer by reducing the rate of interest.

No rupee or sterling loans mature next year and on present showing it may not be necessary to issue any new ones. But to repeat what I said a year ago, should conditions again prove favourable Government will not hesitate to take full advantage of them.

The balance of Treasury Bills outstanding at the end of next year is expected to be Rs. 34 crores. That is Rs. 4

crores more than at the beginning of the year and is more than accounted for by the Rs. 5 crores we shall have to pay the Reserve Bank of India for the surplus rupees they will return to us under Section 36 (1) of the Reserve Bank Act.

24. *Post Office Savings Bank Deposits and Cash Certificates.*—The net receipts from Post Office Savings Bank deposits are now estimated at Rs. 7,50 lakhs in the current year against the original estimate of Rs. 8,25 lakhs and last year's actuals of Rs. 8,95 lakhs. If we make allowance for exceptionally heavy deposits of over Rs. 2½ crores in September 1935 when two Government of India loans were repaid, the estimated receipts during the current year will be more than last year in spite of a reduction in the rate of interest from 2½ per cent. to 2 per cent. with effect from the 1st July 1936. Next year we anticipate a net receipt of Rs. 8,00 lakhs.

As a result of the reduction in the yield on Post Office Cash Certificates from 3 per cent. to 2½ per cent. also with effect from the 1st July last we now anticipate a net discharge of Rs. 75 lakhs in the current year and of Rs. 1,50 lakhs next year.

PROPOSALS FOR 1937-38.

25. As a preliminary to my proposals for dealing with the shortage of Rs. 1,58 lakhs in the accounts of 1937-38 I will deal with the question which I posed at an earlier stage of my speech, viz., have we in the disappointments of the year 1936-37 any reason for doubting the soundness of the conclusions of the Niemeyer Report in regard to the ability of the Centre to bear the cost of the successive stages by which the new Constitution is being introduced? A year ago I prophesied that with the help of a Revenue Reserve Fund of Rs. 2 crores we could see our way through 1937-38 and that thereafter the normal growth of revenue would provide step by step for the liabilities which would

come upon us from year to year. Our Reserve Fund has turned out to be somewhat less than we expected and Revenue has shown a distinct falling off. Contrary to our hopes therefore we are between Rs. 1½ and Rs. 1¾ crores short of a balance in 1937-38 and unless we assume a growth of revenue during the year greater than we have any right on past experience to expect this should connote a deficit in 1938-39 too of something like the same amount. Are our calculations then all wrong and are we pursuing a chimæra in judging that we can finance the new constitution ? I do not think so.

First let us take the disquieting factors.

The restriction of rural credit caused by the Indebtedness Bills is certainly for the time being affecting the purchasing power of the cultivator with the inevitable effects on revenue. It is also diminishing the money-lender's profits. But in the long run these measures are bound to increase rural prosperity and with it the prosperity of the country as a whole and with an increase in prosperity and activity the money-lender will once more be able to employ his idle funds. On the whole then I judge this effect to be a temporary one.

Another bearish feature is the substitution of silver imports for imports of goods subject to a higher rate of duty—a re-appearance in fact of the old hoarding tendency. It would perhaps be optimistic to prophesy any very early disappearance of this though it is to be hoped that it will disappear in time.

Again, the height of the protective and possibly of the revenue duties as well is bringing about the inevitable diminishing returns and these are operating more rapidly than we had believed possible. Nevertheless we had all along assumed that the revenue from protected articles would ultimately decline to much lower levels and the fact

that these levels are being reached unexpectedly quickly means again a temporary rather than a permanent embarrassment.

On the other side there are definitely encouraging signs. Railway traffic returns indicate quite clearly a substantial increase in prosperity. The steadily increasing prices of primary products point to the same conclusion. Further, the almost phenomenal increase in exports of merchandise must soon result in an enhancement of purchasing power and altogether we have many pointers towards a greater resiliency of revenue in the not distant future. And finally disappointing as it is, we must be careful not to exaggerate the importance of a gap of one or two crores in a budget of over Rs. 80 crores.

On the whole I do not think that I shall be indulging in unjustifiable optimism if I say, as a result of considering the various factors at work, that there is no reason why the Niemeyer prognostications should not be realised in the long run and that even in the nearer future his programme can be fulfilled with the help of no more than a very modest addition to our resources, which I should estimate to be roughly the Rs. 1½ to Rs. 1¾ crores by which we are short of a balance this year. Of course I am always pre-supposing the absence of internal disorder or external strife. How are we to find this extra amount ?

26. Personally I believe that, given time, we could find it by improving and tightening up the administration of existing taxes. The Amendment in the Income Tax Act brought forward in the current session is expected, besides arresting the further deterioration which would have attended the continuance of the practice with which it dealt, to yield an immediate improvement of Rs. 20 lakhs in the coming year and credit for this amount has been taken in the estimates I have placed before the House. The other recommendations contained in the Income Tax

Enquiry Report are broadly speaking of two kinds. Some are concerned with changes in the Indian income tax system, and involve questions of principle on which it is desirable that public opinion should be elicited before it is decided to put forward legislation to carry them into effect. I have already taken steps to consult representative bodies and interests on these suggestions. The remaining recommendations of the Report are concerned with the administration of the department, and consist of proposals for tightening up the machine so as to secure the most efficient assessment and collection of the tax, accompanied by suggestions for alleviation of certain hardships which are regarded as affording ground for legitimate complaint by the taxpayer. I propose to take up without delay the consideration of the possible improvements in administration with a view to the early introduction of reforms which are agreed to be necessary. Similarly, in the sphere of Customs administration determined action is already being taken to close the loopholes through which smuggling had been found to be taking place, particularly on the frontiers of the French settlements of Pondicherry and Karikal. Again, in the increasingly important field of Central Excises, where arrangements improvised somewhat hastily in recent years still continue in force, we are considering the desirability of introducing improved machinery under direct central control. I have always felt that the efficient administration of the revenue system is of such vital importance as to call for unremitting attention, and I have no doubt that the steps we are taking will in due course yield a substantial return. But they cannot be counted upon to make an immediate contribution sufficient to solve the problem of supplementing the revenues of the coming financial year by the Rs. 1½ to Rs. 1¾ crores which is necessary to balance the expenditure. I must therefore address myself directly to that problem, and I have two proposals to make.

27. (*a*) In the first place I propose to increase the sugar excise from Rs. 1-5-0 to Rs. 2 a cwt. The main

single cause of the present weakness in our revenue position is the virtual disappearance of the revenue from imported sugar. I would remind the House that in 1930-31 this item accounted for no less than Rs. 10¾ crores. That customs revenue has now practically gone and in its place we are to be left with an excise revenue of under Rs. 2½ crores. It is hardly necessary to emphasise the tremendous strain which a loss of 7 or 8 crores in the yield of the consumption tax on a single commodity must impose on the finances of a country. The present level of internal prices is such that the consumer, even when he has fully shouldered the burden of an additional 11 annas a cwt. will be paying no more for his sugar than he was until a very recent date. As regards the manufacturer, I have already mentioned the plight to which over-production has reduced the industry. In so far as the enhanced excise will check this tendency by eliminating the weak and inefficient producer it will have a salutary effect, and by arresting further deterioration will preserve the position pending the fuller enquiry which is shortly to be held by the Tariff Board. For the same reason I believe that the effect on the cultivator will also be beneficial, for it is no advantage to him to be induced to grow cane for supply to a precarious manufacturer who cannot be relied on to take the crop off his hands. I estimate the additional revenue from the increase in the sugar excise at Rs. 1,15 lakhs.

The change in the excise duty involves a change in the customs tariff. The protective duty was imposed, in accordance with the recommendation of the Tariff Board, in April 1931 at Rs. 7-4-0 a cwt., but in the emergency Budget of September 1931 the surcharge of 25 per cent. was added which brought it to the present level of Rs. 9-1-0 a cwt. When, instead of the revenue surcharge being removed, the excise was introduced in 1934, it was thought desirable to maintain an additional margin of 8 annas a cwt. between the duty on domestic sugar, which was fixed at Rs. 1-5-0 a cwt. and that on imported sugar. This additional margin

was based on a subsidiary recommendation of the Tariff Board, which apprehended that in certain circumstances the price of imported sugar might fall below the figure which the Board estimated to be the fair selling price for the Indian product. In present conditions Indian sugar is being sold at prices so far below the price of imported sugar that there is no necessity or justification for maintaining any addition to the substantive protection of Rs. 7-4-0 a cwt. to which the industry is entitled until the 31st March 1938. The import duty will therefore be fixed at Rs. 7-4-0 a cwt. *plus* the excise for the time being in force.

In order to prevent forestalling and minimise the dislocation of the market I have decided that these changes should take effect forthwith, and a declaration under the Provisional Collection of Taxes Act has been attached to the relevant clauses of the Finance Bill. I should also mention that the sugar-producing Indian States are being approached with a view to bringing them into line with British India and securing that the enhanced excise is also levied on their output.

(*b*) My second proposal for filling up the gap in revenue is to raise the duty on silver from the present level of 2 annas to 3 annas an ounce. I do not think that this modest increase is likely to stimulate a recrudescence of the smuggling which we encountered when the duty was 5 annas or more and I estimate that the additional yield will be Rs. 50 lakhs. This change also will take effect at once.

FINAL SUMMARY.

28. With the additional revenue of Rs. 1,65 lakhs we expect from these measures our net deficit of Rs. 1,58 lakhs for 1937-38 is turned into a small surplus of Rs. 7 lakhs. Incidentally the measures will yield Rs. 5 lakhs or so in the current year and thus reduce the deficit for 1936-37 to Rs. 1,92 lakhs.

Additional taxation always arouses controversy and there is no particular reason why I should expect to escape from the operation of this universal law but the new burdens I am imposing are modest and to the best of my belief no part of them will fall on the shoulders of the poorer classes. The price we have to pay for balancing our budget is not therefore an exacting one. The economic position of the country is undoubtedly improving and in spite of the temporary set back in our budgetary affairs we have certainly no cause for pessimism but rather considerable cause for optimism. And in any case let us not forget that in this very budget we are paying nearly Rs. 2½ crores for the separation of Burma and are providing over Rs. 6½ crores of assistance to the other Provinces.

P. J. GRIGG.

The 27th February 1937.

RAILWAY BUDGET.

Extract from the proceedings of a meeting of the Legislative Assembly held in New Delhi on Tuesday, 16th February 1937.

Speech of the Railway Member introducing the Railway Budget for 1937-38.

I rise to present to the House the Railway Budget for 1937-38. Hon'ble Members are being furnished with the usual Memorandum and documents and, without detaining the House over any preliminary remarks, I shall proceed to place before the House the revised estimates for the current year and the budget estimates for the next year with a brief reference to the financial results of 1935-36. These last are described in detail in the Administration Report issued by the Railway Board last month. The

budget estimates for that year allowed for a deficit of under 2 crores, practically all in respect of strategic lines. From about the middle of February 1935, however, railway receipts began to exhibit a downward tendency as compared with the earnings of the previous year and this tendency persisted almost unchecked till the presentation of last year's budget. The revised estimates presented by me last February put the deficit at just over 4½ crores. The actual result at the close of the year was slightly better; we closed with a deficit of 4 crores, of which 2 crores was attributable to strategic lines.

2. A change in the system of allocation which was introduced with effect from the current year after consultation with, and on the advice of two Committees of this House, the Public Accounts Committee and the Railway Standing Finance Committee, has complicated the task of comparing the current year's results with last year's, and before I proceed to place before the House the revised estimates for 1936-37, it would, perhaps, be desirable to explain briefly how the estimates of the two years have been affected by this change. As Hon'ble Members are probably aware, the object of the change is to reduce overcapitalisation and to put our allocation of expenditure on works on a sounder and more logical basis. It is somewhat difficult to set out briefly in non-technical language the exact nature of the change. Those Hon'ble Members who are interested in the technical side of the question will find a detailed explanation of the proposals together with the reasons therefor in the Financial Commissioner's Review of the Appropriation Accounts of Indian Railways for 1934-35. The change consists mainly in providing that capital should generally be charged only with that part of the cost of an asset renewed which represents a definite improvement, that all renewals and replacements should be charged to the Depreciation Fund (including renewals of non-wasting assets which had hitherto been treated as part of working expenses) and that all sums

received from the disposal of assets replaced should be credited to the Depreciation Fund. It is expected that, in a normal year, the ultimate result of these changes as compared with the previous rules should be a reduction of capital expenditure by 1½ crores per annum, an increase in the Depreciation Fund expenditure of about 1¼ crores per annum and a reduction in the net revenue of about ¼ crore. For 1936-37, it is expected that the result will be a reduction in capital of ¾ crore, a net increase of about 39 lakhs in expenditure charged to the Depreciation Fund and a reduction in the net railway revenue of the year of about 36 lakhs. The result for 1937-38 is expected to be very similar. In comparing the figures for 1936-37 and 1937-38 with those of earlier years we would, as a result of these changes, be understating, to an appreciable extent, the actual improvement in our position.

3. With this brief explanation, I shall proceed to give the House our present anticipations of the results of the current year, and here I am glad that I have a more cheerful account to place before the House than I was able to last year. As I have already stated, our actual deficit last year was 4 crores. When I presented the budget for the current year, I anticipated a similar result this year and put the deficit at 3½ crores. Almost immediately after the presentation of the budget our earnings began to improve, and the improvement tended to become steadier and more marked as the year advanced, so that, I think, we would be justified in taking a less gloomy view of the situation than the one that presented itself to us this time last year. The result of the current year's working is now expected to be a small surplus of 15 lakhs. If the change in the system of accounting to which I have referred had not been introduced the surplus would have been over half a crore.

4. Our gross traffic receipts are now estimated at 95 crores, 4⅓ crores more than last year's figures. The corresponding increase in the working expenses is comparatively slight and we expect our total net revenue to

be 31 crores. This is 3½ crores better than last year, or nearly 4 crores better, assuming the change in allocation to which I have referred had not been made. Commercial lines by themselves are expected to show at the end of the year a surplus of just over 2 crores. The loss on strategic lines will be 1.89 crores. The result of the year's working will, after meeting our interest charges in full, leave a surplus of 15 lakhs which will be utilised for repaying in part the amount borrowed in previous years from the Depreciation Fund. The actual balance in the Depreciation Fund will, at the end of the year, stand at about 15½ crores. Our total borrowings from the Fund will be reduced to 31⅓ crores; but for these borrowings the actual balance in the Depreciation Fund would have amounted to nearly 47 crores. Of this about 1⅔ crores represents accumulations in respect of the Burma Railways and will be handed over to Burma on the 1st April, next on its separation from India.

5. Though our present estimates of traffic receipts in the current year are 4⅓ crores above the receipts of the last year, receipts in respect of passenger traffic are disappointing and our revised estimate of these receipts is 18 lakhs less than the earnings of last year and 60 lakhs less than our budget estimate. The total number of passengers carried in the first seven months of the year is less by ½ per cent. and passenger miles by 2 per cent. as compared with the figures for last year. The average lead per passenger is 34¼ miles or half a mile lower than in the previous year. Different railways made various kinds of efforts to improve earnings on passenger traffic such as the quotation of cheap return fares, the "travel-as-you please" tickets at reduced rates for limited periods and the special arrangement on the Assam Bengal Railway by which the third class fare for any distance between the southern and the northern sections of the system was made subject to a maximum limit of Rs. 5. Though all these devices were successful in varying degrees, they failed to

prevent a deterioration in total earnings under this head. It is difficult to avoid the conclusion that unregulated and uneconomic bus competition is on the increase and continues to make serious inroads into Railway earnings.

6. Receipts in respect of goods traffic on the other hand have been very much ahead of anticipations. Better crops and higher prices have combined to give us a considerably increased traffic. The total carried on the first seven months of the year recorded an increase of 1 per cent. in tonnage and 2 per cent. in ton mileage over last year's figures. The total number of wagons loaded on class I railways upto the end of December was 3 per cent. better than in the corresponding period of last year on the broad gauge and 6½ per cent. better on the metre gauge. The total receipts from goods traffic are now expected to show an improvement of over 4 crores (nearly 7 per cent.) as compared with last year and 4¼ crores as compared with the Budget Estimates. Except for coal and manganese, figures for each of the principal commodities show a considerable increase over last year's figures. As regards manganese, I might mention that during the previous year the Bengal Nagpur Railway carried exceptionally heavy traffic. "Oil-seeds, which were very disappointing last year, have recovered, and the traffic in this commodity during the first seven months of the year was 31 per cent. better than during the corresponding period in the previous year.

7. During the course of the year the railways took different steps to increase traffic earnings in respect of goods also and I might mention a few instances for the information of the House. The rebate on coal exported out of India was increased by eight annas per ton as we were satisfied that it would stimulate the export of Indian coal to eastern markets and an immediate result was that Indian coal competed successfully with South African coal for the Ceylon Government Railways and we hope that further

effects of this reduction of freight may soon be noticed in the shape of larger exports of Indian coal to Singapore, Hongkong and the Netherlands East Indies. The rebate of 25 per cent. on wheat exported from Karachi to ports west of Aden which was introduced last year was continued during the current year and was extended to ports east of Singapore. The exemption from the surcharge on the coal freight hitherto enjoyed by bunker coal was withdrawn with effect from November last as we were convinced that this would not affect the traffic to Calcutta. The freight rates on Central Provinces coal have been brought up to a level with the scale applicable to Bengal coal for longer distances.

8. With an expected increase of over 4¼ crores in receipts it was only to be expected that our expenditure should also show some increase. Our ordinary working expenses are expected to be 62 lakhs more than last year (of which 8 lakhs is on account of restoration of the cut in pay) and 24 lakhs above the budget estimates. In the accounts, however, owing to the change in allocation already referred to by me the total working expenses will appear at a figure which is ½ crore below the budget estimates and 12 lakhs below the figure for the previous year.

9. As I have said earlier in the course of my speech, our borrowings from the Depreciation Fund will at the end of the year stand at 31½ crores. This, however, will not be the only liability of the Railways under the present arrangement at the end of 1936-37. In addition to the liability to repay loans from the Depreciation Reserve, which are a first charge on future surpluses, railways have an undischarged liability to general revenues which would come into operation immediately these loans have been repaid. When Railways can begin to earn surpluses, and before they can resume payment of normal contributions, they are expected to repay to general revenues the accumulated arrears of contributions payment of which has been

suspended since 1931-32, and which will at the end of 1936-37 amount to 30¾ crores. The Separation Resolution provides that if in any year railway revenues are insufficient to provide a contribution to general revenues of one per cent. on the capital at charge, surplus profits in the next and subsequent years will not be deemed to have accrued for purposes of division unless such deficiency has been made good. Even if we assume that from the next year railways would begin to earn surpluses, existing liabilities will not be completely discharged for many years and meanwhile further liabilities in respect of contributions to general revenues will continue to accumulate. It will thus be impossible for Railways to resume current contributions to general revenues within any reasonable period that can be foreseen. The wisest plan in the circumstances appears to be to write off all these liabilities and to start the next year on the basis of a clean slate so far as these liabilities are concerned. It might be urged that the adoption of this course would result in depleting the Depreciation Fund to an unduly low figure. An objection of this kind would have some theoretical validity but I do not think we would be incurring any undue risk in adopting the course that I have suggested. The actual balance in the Depreciation Fund at the end of 1936-37 is expected to be in the neighbourhood of 14 crores, excluding the share of the Burma Railways and, so far as we can foresee at present, current contributions to the Fund would be more than sufficient to provide for all our ordinary needs. The opening balance in 1937-38 may be safely regarded as sufficient to provide for all emergencies that we can at present foresee. Another consideration that might be urged is that general revenues should not definitely abandon all claims to the recovery of nearly 31 crores due under the present Convention. A moment's reflection will, however, convince Hon'ble Members that general revenues are likely to benefit far more under the suggested arrangement than under the present Convention inasmuch as if the Convention is not modified as suggested, general revenues would receive nothing till

the Depreciation Fund has been repaid over 31 crores. On the other hand if the financial results of 1937-38 and succeeding years show surpluses, as we expect, general revenues would begin to derive some benefit immediately under the new arrangement. It would be well to remember in this connection that since the date of the separation of railway from general finances in spite of a prolonged period of exceptional depression, general revenues have on the whole received 12 crores from railways, an average of 3 crores per annum, in addition to nearly 26 crores on account of the loss on the working of strategic lines. It is, therefore, proposed to bring before the House for its consideration at an early date a resolution embodying an amendment of the Separation Resolution of September 1924 as outlined above.

10. From the 1st April next, the Burma Railways will be separated from the Indian State Railway System and it would facilitate comparison of figures if I were to place before the House figures of the revised estimates of 1936-37 excluding Burma Railways. In the current year our total estimates of receipts from Indian Railways is 91¼ crores. Our total working expenses are expected to be 61.18 crores. Including miscellaneous transactions our net revenue from which interest charges will have to be met will be just under 30 crores and thus the surplus in respect of the Indian System of Railways would be 42 lakhs. For 1937-38 we have estimated our gross traffic receipts at 90¾ crores and our expenses at 61¼ crores. Our total net revenue including miscellaneous receipts is expected to be 29½ crores and interest charges 29⅓ crores, the result being a surplus of 15 lakhs. This amount will in accordance with the modification of the Separation Resolution that I have outlined above, be transferred to general revenues.

11. It is possible that Hon'ble Members may be disposed to regard our estimate of earnings for 1937-38 as

somewhat conservative. We consider, however, that there is still need for caution and that there would be no justification for estimating them at a higher figure. Indeed, I would be happy to discover at the end of the year that our estimate had not been a little too optimistic. We expect a small improvement in passenger earnings as a result of the general improvement in the economic situation that has been noticeable for some months. But, having regard to the proportions of competition from the roads, any improvement under this head cannot be very striking. On the other hand we are doubtful whether the present level of goods traffic can be relied upon as a definite index of conditions during the next year. In 1934-35 our earnings were nearly 3½ crores better than in the previous year but this was followed by a period of comparative stagnation and our optimistic forecasts in respect of 1935-36 were proved to have been unjustified. During the current year again we have experienced a steady increase in traffic but it is too early to predict with any confidence that the level attained during the last few months will be maintained. I believe I have gone as far as it would be safe to go in assuming that the total improvement in earnings that has taken place in the current year may be maintained at a slightly lower level on an average during the next year. I think there is at the moment not enough justification for assuming that the level of improvement reached during the last three months will be maintained throughout the next year.

12. We estimate our working expenses for 1937-38 at 48¾ crores or 14 lakhs more than in the current year. The main reason for this increase is that, as a result of the introduction of Provincial Autonomy, it has been decided to give effect to the principle of sub-section (3) of section 187 of the Government of India Act, 1935, which provides that Railways shall pay to Provincial Governments the expenses incurred by the latter in the provision of police required for the maintenance of order on Railway premises. The total cost of this is estimated roughly at 16 lakhs. It

has also been found necessary to make a special provision of 8 lakhs for reconditioning of wagons on the East Indian Railway as an alternative to the purchasing of new wagons. The cost of coal is expected to increase by about 6 lakhs on account of the rise in the price of coal. Against these increases we expect certain savings in repairs and maintenance of rolling stock and gratuity payments.

13. If these estimates turn out to be correct, the Depreciation Reserve, which will open with an actual balance of 13¾ crores and will receive a net accretion of 6½ crores as the difference during the course of the year between the contributions to it and the withdrawals from it, will stand at 20¼ crores at the end of the year.

14. The estimates which I have just presented to the House show a net surplus of 15 lakhs both for the current and for the next year, but, apart from the impossibility of forecasting at this date with any approach to accuracy what the results of the year beginning six weeks hence are likely to be, I think it my duty to sound a note of warning. These surpluses are based on the present system of accounting and, I believe, it will be generally agreed that, even after the modification introduced in the current year, the system leads to overcapitalisation, as it allows a debit to capital of expenditure which should, on sound financial principles, be correctly charged to the revenue of the year. The complete proposals of Government, which have received the general approval of the Public Accounts Committee and the Railway Standing Finance Committee, contemplate that revenue should provide about 1¼ crores per annum for expenditure at present charged to capital to cover the cost of minor improvements, and additions and of unremunerative works, and in addition about 5 crores for amortisation of capital. It is essential to remember that railways cannot be considered in a completely satisfactory position until they are able to provide at least the former amount. We cannot, therefore, afford by reason of these

estimated surpluses to allow any relaxation in our efforts to improve still further the net revenues of our railways by economies in expenditure and increase in our earnings.

15. I now turn to our capital programme for 1937-38. The total programme of works not charged to Revenue will remain at about the same level as in the current year. It is only with regard to wagons that we shall incur larger expenditure. We propose to purchase 2,000 wagons instead of 750 for 1937-38 and this increase appears to be justified by the recent improvement in goods traffic. Our expenditure on rolling stock including the cost of these wagons will be 3½ crores. We are also providing 4¼ crores for track renewals, ¾ crore for bridge works and 2½ crores for other structural works.

16. We have examined a few construction projects in the current year and have come to the conclusion that two lines in Sind are likely to prove remunerative. One is the Sind Right Bank Feeders line from Larkana to Jacobabad and the other from Pithoro to Tando Mitha Khan. If the Standing Finance Committee for Railways approves of these projects and they are ultimately sanctioned, we shall during 1937-38 require about 30 lakhs for these two projects.

17. The total cost of all works included in our programme for 1937-38, if everything works up to schedule and there are no delays of any sort, will be 11½ crores, of which ½ a crore will be met from stores in stock. From past experience, however, we can safely assume that it is very improbable that anything like the full provision will be utilised during the course of the year. Last year we applied a rough and ready standard of a cut of about 10 per cent. on account of non-utilisation and we now find that this was an under-estimate. For 1937-38 therefore we propose to make a larger all-round cut and have provided only 8½ crores under this head.

18. It will have been noticed from what I have already said that we do not propose to embark upon a large programme of expenditure or development. We do not feel that we would be justified in doing this even though there are signs that we have at least temporarily got away from the worst of the depression. In saying this I do not wish to imply that we are making no preparations for the better times which we all hope are in prospect. We fully realise that, if traffic develops, we must be prepared to deal with it and move forward with the times. But till there are more substantial indications that we are in for a prolonged period of prosperity, it would be wise to move cautiously. Various reasons have been given for the increase in our earnings during the current year. Some people believe that the increase is due mainly to the rise in commodity prices. In a country like India any rise in the prices of staple commodities is bound to enhance the spending capacity of the bulk of the people, and Railways in due course would get their share of this additional prosperity. Other people claim that the main reason for the improvement must be sought in the rapid deterioration of the international situation and that, therefore, the improvement is likely to prove to be only temporary and is based on no firm foundation. There are still others, and among them very eminent authorities, who consider that there is a real improvement in trade conditions throughout the world which is likely to continue. The fact that the upward tendency in staple commodity prices began to manifest itself before any serious disturbance of the international situation became a feature of world news appears to lend support to this view. One pleasing feature in the improvement is that the increase has been gradual. A spectacular rise is often followed by a spectacular fall and the gradual character of the improvement that we have experienced leads one to hope that we might at no distant date get back to a steady market at neither too high nor too low a level of prices which will give the producer a reasonable profit. Given such a condition, I feel little

doubt that the railways, though they may not be able to set aside large surplus profits each year, will be able to pay their own way and save reasonable sums for the future.

19. As an example of what railways are doing to prepare for the future, I would mention one experiment we intend to try out this hot weather. I refer to our scheme to run an experimental air-conditioned coach on one of our daily mail services. These coaches are now a common feature of American Railway practice where trains run very long distances as they do in India. In fact, in America, there are many trains completely air-conditioned from end to end ; our proposal is in the first instance to run one first class coach on each train of a particular service. For this purpose five coaches are now under construction. The total additional cost of the air-conditioning equipment for these five coaches is estimated at Rs. 2,40,000, and it is hoped to recover this by the imposition of a small surcharge on each ticket issued for the additional comfort provided. The main feature of air-conditioning is that the traveller lives and sleeps in the same temperature from the beginning of his journey to the end. The coach is provided with a constant supply of fresh air at an even temperature, no matter what the outside conditions may be. Dust, cinders and other similar discomforts incidental to railway travel in India are eliminated. As I have said, this is only an experiment, and whether it will turn out to be a successful experiment or not only the future can decide. All we can say at present is that similar experiments in other countries have been successful and have considerably increased the popularity of railway travel generally. If the experiment proves a success, we shall go ahead on a larger scale, and I hope, I am not looking too far into the future when I suggest that it may be possible to run complete air-conditioned trains including third class coaches wherever traffic conditions justify.

20. We have this year been able to set aside a further sum of money for research purposes. Nearly the whole of this has been expended upon an investigation into the stresses to which the track is subjected. The research, which is not yet complete, was rather ambitious but work on the subject which had been initiated in the United States of America had yielded such remarkable results that we were encouraged to make an attempt upon it. The idea was to measure the stresses set up in the rails and the fish-plates which join the rails together. If these could be recorded, we should no longer need to rely upon empirical formulae, in which, for obvious reasons, it is necessary to incorporate a generous factor of safety; and if, as was suspected, this factor was too liberal, it would become possible to postpone relaying and to use existing track under higher loadings than it had been supposed it was capable of bearing. The measurement of these stresses requires exceedingly delicate and special apparatus, and the apparatus originally purchased for the purpose failed to give reliable results over the higher ranges of speed. It looked at one time as though we would have to abandon the experiment. The perseverance and ingenuity of the officers entrusted with the research enabled them in the end to overcome these difficulties, and the delay entailed in obtaining modifications in their appliances was very usefully employed in devising methods for correcting instrumental errors. They also succeeded in evolving an appliance for recording the actual shape of the wave assumed by the rails under a succession of wheel loads. Measurements have already been recorded in many thousands of photographic exposures, but the investigations are still being actively pursued and it would be premature to attempt final conclusions at this stage. Sufficient has been done, however, to demonstrate beyond reasonable doubt that the formula for the increment of rail stresses due to speed as worked out by the Bridge Sub-Committee in 1925 is open to revision. It has also been shown that, in many cases we can safely substitute, for the extremely

costly relaying that would have been considered necessary in the past, a method of strengthening that will result in appreciable savings under this head.

21. Another investigation which is in progress relates to the surface hardening of rails; the heavy stresses to which they are subjected lead to wear and deformation of rails and, if the points and crossings now under trial come upto expectations, their lives will be materially prolonged and we may be able to effect considerable economies in that direction. The hardening process under investigation is a comparatively cheap one.

22. The reclamation of scrap materials has engaged our attention constantly. A series of tests recently conducted indicate that it is possible to utilise for spring plates old tyres that have been re-rolled in the East Indian Railway mills at Jamalpur. As a consequence of this there should be an appreciable saving in expenditure on new materials.

23. Two promising lines of research have only just been determined upon. One relates to an attempt to improve locomotive steam cylinders in the higher speed ranges—a matter that is assuming special importance in these days of competition for traffic. The other relates to research into certain properties of lubricants about which our knowledge at present is very limited. This will involve an extensive series of laboratory tests in which we have been promised the collaboration of the Industrial Research Bureau of the Indian Stores Department.

24. This cold weather we have had the privilege of a visit from Sir Ralph Wedgwood, Chief General Manager of the London and North-Eastern Railway, together with Mr. W. A. Stanier, Chief Mechanical Engineer of the London Midland and Scottish Railway and Mr. H. Cheadle, Chief Traffic Manager, South African Railways, who have

come out to India at the invitation of the Government of India to help us in finding a solution of our financial difficulties. This invitation was issued as a result of a recommendation by Sir Otto Niemeyer, reinforced by a further recommendation from the Public Accounts Committee, that there should be a general overhaul of railway finances, as it was essential, if Provincial Autonomy was to be given a fair chance of success, that steps should be taken to ensure that railways will not, in future, be a burden upon general revenues. Sir Ralph Wedgwood and his colleagues have undertaken an extensive tour of India during which they have had discussions with all the principal railway administrations who have placed their points of view before them. They have taken the opportunity of exchanging views with officers of the various Provincial Governments on the vital problem of road-rail transport. They have also held conversations with the representatives of the principal commercial bodies throughout the country.

25. Having heard all sides I feel sure that Sir Ralph Wedgwood's committee will be able to give us very valuable advice and assistance. Railways in India have reason to be proud of their achievements in the past but I am quite sure that there is no inclination in any quarter to claim that the system is a perfect one and that there is no room for improvement. Those who are responsible for administering and running the system of railways in India are only too willing to admit mistakes and shortcomings and to accept advice, and I know of no man who is in a better position to give such advice than Sir Ralph Wedgwood assisted by his able colleagues.

26. In conclusion I would again desire to give expression to my sense of gratitude to the members of the Railway Board and all those who may in any manner be connected with the administration and working of our system of railways for the loyal co-operation and assistance they have given me during the last two years. I shall

also take this opportunity of conveying my thanks in particular to Sir Raghavendra Rau for the admirable way in which he has watched over the finances of the railways for the last five years. I am sure the House will join with me in offering him our sincere congratulations on the very well deserved honour that His Majesty has been pleased to confer upon him in recognition of his very valuable services.

Rules and Regulations for the Measurement for Tonnage of Cotton and Other Goods in bales or packages under the orders of the Bombay Chamber of Commerce.

(Adopted at a Special General Meeting of the Chamber, held on the 24th September 1924.)

I. Whereas it is expedient to collate and amend the Rules and Regulations for the measurement of goods.

II. All such Rules and Regulations hitherto in force are hereby rescinded and the following are substituted therefor.

III. In the following Rules and Regulations and in any Orders that may from time to time be issued by the General Committee of the Chamber of Commerce under Rule XVII.—

(*a*) Measurer shall mean a measurer appointed by the Committee of the Chamber of Commerce for the purposes of these rules.

(*b*) Measurement shall mean measurement by such measurer.

(*c*) Shipper shall mean the person shipping the goods or his representative.

(*d*) Quay shall mean a place in the Docks or at one of the Bunders recognized for the regular shipment of goods.

(*e*) Vessel shall mean a vessel propelled by sail or steam and not being used for the conveyance of goods from the Quay to another vessel in the Port of Bombay.

(*f*) Boat shall mean a vessel, lighter or craft used for the conveyance of goods from the Quay to a vessel in the Port of Bombay.

(*g*) Package shall mean a bale, case, barrel, cask, bag or other receptacle subject to measurement.

(*h*) Consignment shall mean the whole quantity of one commodity subject to measurement to be shipped by one shipper in one vessel.

(*i*) Lot shall mean a package or number of packages forming part of a consignment and presented by one shipper at one time for measurement.

IV. Public Measurers shall be appointed under the authority of the Chamber of Commerce and stationed at the different quays to measure packages.

V. Fees, the amount of which shall from time to time be fixed under the Orders of the General Committee of the Chamber of Commerce, shall be levied in accordance with such Orders on all goods presented for measurement.

VI. No measurements shall be held good except such as are taken by a Measurer and with instruments bearing the stamp of the Chamber of Commerce.

VII. Such instruments shall be supplied and issued to the Measurers by the Chamber of Commerce.

VIII. All instruments shall be submitted to the Secretary of the Chamber of Commerce at intervals to be

prescribed by the Committee and a register of such inspections shall be kept.

IX. Measurers shall be responsible for the good order of their instruments and for the prompt return to the Secretary of the Chamber of such as are defective or doubtful.

X. The Chamber's stamp borne by instruments that are found by the Secretary to be defective shall be by him defaced.

XI. Instruments on which the Chamber's stamp has been defaced may be re-stamped under the directions of the Secretary when they are in good order.

XII. Certificates of measurements shall be issued to shippers and/or to Ship Agents in such form and in such manner as the Committee for the time being shall from time to time provide.

XIII. Provided always that the Measurer may withhold or recall such certificate on his having reasonable cause to believe that an irregularity in the matter of shipment has been or is being committed in respect of the goods to which such certificate relates.

XIV. The goods measured shall be alongside the vessel within thirty-six hours after measurement, weather permitting, or the certificate shall be void and the packages shall be remeasured on board, written notice being given by the owner, agent or master of the ship to the Shipper and to the Measurer respectively.

XV. Shippers shall as far as possible see that their goods are so arranged for measurement as not to retard the work of the Measurers.

XVI. The salaries of the Measurers and all other expense connected with this system of measurement shall be paid by the Chamber of Commerce from the Fee Fund raised under these Rules.

XVII. The Committee of the Chamber of Commerce are hereby authorized to appoint and maintain such staff of Measurers and Assistants, to fix and to pay such salaries to that staff, to fix and to collect such fees, to issue and from time to time to modify such orders, and to do all other such acts and things as may in their opinion be necessary for the proper and economical working of the system in conformity with the general principles herein laid down.

Orders for the Conduct of Measurement of Goods for Tonnage by Public Measurers in the Port of Bombay.

(Issued by the Committee of the Bombay Chamber of Commerce in pursuance of Section XVII of the Rules and Regulations adopted at a Special General Meeting of the Chamber held on the 24th September 1924.)

(1) All Orders hitherto in force for the governance of Measurers are hereby rescinded and the following are instituted.

(2) The Measurers shall be in attendance on the Quays to which they are appointed whenever there are goods to be measured. During the busy season Measurers are expected to be on duty early and late.

(3) All Measurement Fees shall be paid to the Measurement Fee Clerk, and no goods shall be measured without the production of the Customs House Pass bearing the endorsement of the said clerk to the effect that the fees have been paid.

(4) The certificates of measurement issued in conformity with Rule XII shall show—

(*a*) the date, hour and place of measurement ;
(*b*) the name of the shipper ;
(*c*) the name of the vessel ;
(*d*) the port of destination ;
(*e*) the number and description of packages ;
(*f*) the marks ;
(*g*) the measurement ;

and in the case of goods shipped by boats—

(*h*) the registered number of the boat ;
(*i*) the name of the tindal.

The certificates of measurement shall be issued by the Measurers and shall in every case be signed by the Measurer who measured the goods.

(5) The whole of the packages forming a consignment of not more than thirty-two packages must be deposited on the Quay before measurement is taken.

(6) Consignments of more than thirty-two packages may be presented for measurement in lots of not less than thirty-two packages provided always that each lot, as soon as it is measured, is loaded into boats or shipped and that no unmeasured lot is mixed with a measured lot. Provided also that a final lot of less than thirty-two packages, being the complement of a consignment of more than thirty-two packages, may be measured separately.

(7) Shippers failing to have each lot as soon as measured loaded into boats or shipped ; or shippers mixing unmeasured goods with measured goods or permitting them to be mixed ; or shippers retarding the work of the Department by failing to move with reasonable promptitude the bales required by the Measurer to be moved for the proper performance of his duties ; or shippers attempting to elude these regulations, any such persons or their representatives may be required by the Measurer to deposit on the Quay the whole complement of their consignment before measurement is taken. In all cases when such requisition is made, the Measurer making it shall briefly report in writing to the Secretary the name of the shipper against whom the goods in respect of which and the reason for which, it has been made.

(8) A Measurer withholding or recalling a certificate under Section XIII of the Rules and Regulations adopted

on the 24th September 1924 shall likewise briefly report to the Secretary in writing.

(9) No goods shall be measured otherwise than on a Quay excepting under the special conditions contemplated under Rule XIV and Order 22.

(10) Each and every package in a lot of packages not of uniform dimensions shall be measured individually. This Rule shall not apply to lots of pressed bales from various presses if the shipper arrange such diverse bales according to their respective dimensions separately on the Quay.

(11) In regard to packages of uniform dimensions the Measurer shall use his judgment as to the proportion of such goods he should measure ; but such proportion shall in no case be less than five per centum of each lot. Care must be taken by the Measurers that they are not induced to measure packages that do not fairly represent the average.

(12) In no case shall a shipper's man or men be allowed to put the callipers on a package. A peon of the Chamber holding the callipers may, when standing exactly in front, pull them tight with his hands but not when standing on one side, nor shall he ever be allowed to pull the callipers towards his chest or side or to put his shoulder to them.

(13) In measurement for length, care must be taken that the legs of the callipers touch the ground and that bales when being measured lie in the same position as when in the press. Measurement of bales for depth and breadth shall be taken on the ends, half the number of bales being measured on the marked end and half on the other end.

(14) Measurers when measuring pressed bales shall ascertain whether all are from one press or not, and under

orders (10) and (11) of these orders shall further ascertain how many bales there are from each press and shall give measurement accordingly and show on the certificate the number of bales to which each measurement relates.

(15) In cases where the shipper shall hand to the Measurer a letter from the owner, agent or master of the vessel authorizing the Measurer to accept for measurement and calculation of average such packages as the said shipper may reserve for such measurement, the Measurer shall measure the packages so reserved and give a certificate on the basis of their measurement, provided that such packages represent not less than five per centum of the entire consignment.

(16) The scale of measurement fees leviable under Rules V and XVII shall be as follows :—

(*a*) On Cotton, Wool, Hemp, Aloe Fibre Twist (white and coloured), Rags, and waste in pressed bales—pies 6 per bale.

(*b*) On Round Timber or Logs—each annas 8.

(*c*) On Gunny bales from Calcutta, Hide and Skins, Piecegoods, and all goods not included under (*a*) and (*b*), packages of divers dimensions—annas 2 per package.

Subject to a rebate of anna one per package on the Measurers certifying that the lot measured consisted of not less than 50 packages all of uniform dimensions.

(*d*) On goods of any description measured on board a vessel—annas 2 per package.

(*e*) When the work of the Department admits of such an arrangement, the exclusive services of a Measurer for a day may be secured on payment to the Secretary of a fee of Rs. 10.

(*f*) The attendance of a Measurer on a Sunday or one of the Charter-Party Holidays when the Docks are closed may be secured on application to the Secretary, accompanied by the sum of Rs. 15 which shall be paid by him to the Measurer appointed by him to attend. The fee of Rs. 15 shall cover the services of one Measurer for one ship. If two Measurers are applied for two fees of Rs. 15 must be paid at the time of application. If a Measurer is required to work on more than one steamer a separate fee of Rs. 15 must be paid in respect of each steamer.

(*g*) The attendance of a Measurer for night duty may be secured in the same manner as above.

(17) All disputes as to the applicability of Order 16 (*d*) under Rule XIV shall be referred to the Weather Working Days Committee of the Chamber and the decision of that Committee shall be final. With respect to Order 16 (*d*) a refund of pies 6 per package will be made on declaration of the said Committee, remitted on the invitation of the claimant that the state of the weather during the thirty-six hours of grace allowed had been such as to justify the shipper's delay in bringing the goods alongside.

(18) Refund of measurement fees in full shall be made in respect of a consignment or portion of a consignment shut out after measurement.

(19) In respect of Round Timber and Logs, the measurement to be certified, in accordance with Order 4 (*g*), shall be as follows :—

Length in feet and inches : As found with tape.

Breadth : The mean of two measurements taken with callipers at thickest and thinnest portions.

Depth : The mean of two measurements taken with callipers at thickest and thinnest portions.

The certificate shall also show under Order 4 (*a*) not only the time at which the work of measurement was commenced, but the time at which it was completed. On application to the Secretary supported by evidence of time as here provided refund will be made of the difference between the fee as prescribed under Order (16) (*b*), and a charge of Rupees Two for every hour or part of an hour actually occupied in measurement.

(20) Refund of Measurement Fees shall not be made for any sum less than three Rupees.

(21) All claims for Refund of Measurement Fees shall be made to the Secretary of the Chamber of Commerce who shall allow or disallow such claims in conformity with these Orders, but no claim for Refund of Measurement Fees

shall be allowed unless presented within one month from the date of the sailing of the vessel concerned.

(22) Each Measurer shall keep a Dispute Book and it shall be competent for any shipper or the owner, agent or master of a vessel who disputes the correctness of a measurement given in respect of goods being shipped by him to call for the said Dispute Book, which the Measurer shall produce at once, and to enter therein a claim to have the goods in question or any portion of them remeasured. And on the said shipper or the owner, agent or master of a vessel depositing with the Measurer the sum of annas 2 for each package to be measured, the Measurer shall at once remeasure such package or packages in such a manner that the shipper or the owner, agent or master of a vessel can see whether the measurement is correctly taken and shall give to the shipper or the owner, agent or master of a vessel a certificate of the measurement so found and write thereon the word "Protested Certificate. Fee paid Rs....." and the sum so paid. The Measurer shall immediately thereafter forward to the Secretary a statement of the case together with the amount of the Fee received.

Provided that on any of the stations where more than one measurer is employed, the Measurer whose measurements are disputed shall, immediately after receiving the protest and fee. call another Measurer who shall make the remeasurement in the manner above laid down, shall issue the "Protested Certificate" and forward the necessary statement to the Secretary.

(23) Should a shipper demand remeasurement under Order 22 and should such remeasurement, in the opinion of the Secretary, show the original measurement not to have been substantially correct, the extra fee of annas 2 per package shall be refunded to the shipper on demand and the case reported to the Committee.

(24) Every Measurer shall receive a book of Measurement Slips together with indelible pencil and carbon paper for making such slip in quadruplicate. The Measurer will hand to the shippers at the time of measurement the original and third carbon copy ; the first carbon copy will be handed to the ship agent's representative on demand and the second carbon copy will be retained for the Chamber's records.

Provided that when goods are shipped in boats for delivery alongside the said first carbon copy, belonging to the ship's agent, shall be handed to the boatman from whom it should be obtained by the ship's officers.

COAL.

Imports of Coal into Bombay by Sea and Rail.

The following return of the Imports of Coal into Bombay by Sea and Rail in the years 1930 to 1936 is printed for the information of members :—

From	1930.	1931.	1932.	1933.	1934.	1935.	1936.
By Sea.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Europe	14,153	16,822	11,758	2,945	6,145	6,190	5,875
Australia..	1,190	3,190	2,000	2,130	6,852	1,800	4,584
Japan	400	..	..	335	..	..	1,325
Africa	145,095	10,299	..	3,920	..	7,143	15,805
Other Foreign Countries.	..	..	..	..	..	..	..
Calcutta	240,707	437,309	461,834	419,238	411,572	466.790	447,377
Total—By Sea ..	401,545	467,620	475.592	428,568	424,569	481,923	474,966
Total—By Rai ..	46,731	43,383	26,136	19,526	19,234	19.875	22,022
Grand Total ..	448,276	511,003	501,728	448,094	443,803	501,798	496.988

WHEAT.

The total area reported for the season 1935-36 was 33,631,000 acres as against 34,490,000 acres the previous year, or a decrease of 859,000 acres or 2 per cent. The total yield of the crop was estimated at 9,435,000 tons as compared with 9,728,000 tons the previous year or a decrease of 293,000 tons or 3 per cent.

The following figures show the total Acreage and Outturn of Wheat in each official year from 1892-93 to 1935-36 :—

Years	Area (in thousand Acres).	Outturn (in thousand Tons).
1892-93	27,759	7,649
1893-94	28,717	7,269
1894-95	28,422	6,999
1895-96	24,071	5,380
1896-97	20,580	5,363
1897-98	24,538	7,208

WHEAT STATISTICS—*contd.*

Years	Area (in thousand Acres).	Outturn (in thousand Tons).
1898-99	25,370	6,838
1899-1900	18,688	5,357
1900-01	23,868	7,094
1901-02	23,446	6,091
1902-03	23,433	7,971
1903-04	28,413	9,641
1904-05	28,470	7,582
1905-06	26,296	8,579
1906-07	28,536	8,159
1907-08	22,806	6,104
1908-09	26,068	7,598
1909-10	28,018	9,591
1910-11	30,490	10,041
1911-12	31,141	9,925
1912-13	29,524	9,715
1913-14	28,475	8,358
1914-15	32,475	10,091
1915-16	30,320	8,652
1916-17	32,940	10,234
1917-18	35,487	9,922
1918-19	23,798	7,508
1919-20	29,949	10,122
1920-21	25,783	6,706
1921-22	28,207	9,830
1922-23	30,844	9,982
1923-24	31,181	9,660
1924-25	31,774	8,866
1925-26	30,471	8,696
1926-27	31,303	8,973
1927-28	32,193	7,791
1928-29	31,973	8,591
1929-30	31,654	10,469
1930-31	32,189	9,305
1931-32	33,803	9,024
1932-33	32,970	9,449
1933-34	35,992	9,414
1934-35	34,490	9,728
1935-36*	33,631	9,435

* Subject to revision.

Estimate of the Wheat Crop of the Season 1935-36. Share of each Province and State of Area and Yield for 1934-35 and 1935-36. (000's omitted.)

Provinces and States.	Area.			Yield.			Increase or Decrease in the Current Year over				Yield per Acre.	
							Area.		Yield.			
	Current Year 1935-36.	Previous Year 1934-35.	Average of preceding 5 Years.	Current Year 1935-36.	Previous Year 1934-35.	Average of preceding 5 Years.	Previous Year 1934-35.	Average of preceding 5 Years.	Previous Year 1934-35.	Average of preceding 5 Years.	1935-36.	1934-35.
	Acres.	Acres.	Acres.	Tons.	Tons.	Tons.	Per cent.	Per cent.	Per cent.	Per cent.	Lbs.	Lbs.
British Provinces.												
Punjab	9,300	9,038	9,336	3,053	3,043	3,054	+ 2.9	— 0.4	+ 0.3	..	735	754
United Provinces	7,053	7,549	7,732	2,498	2,523	2,770	— 6.6	— 8.8	— 1.0	— 9.8	793	748
Central Provinces and Berar	3,389	3,626	3,297	641	763	692	— 6.5	+ 2.8	—16.0	— 7.4	423	471
Bombay	1,688	1,734	1,698	312	308	298	— 2.7	— 0.6	+ 1.3	+ 4.7	414	397
Bihar and Orissa	1,143	1,197	1,217	416	505	479	— 4.5	— 6.1	—17.6	—13.2	815	945
North-West Frontier Province	1,030	997	1,003	264	238	240	+ 3.3	+ 2.7	+10.9	+10.0	574	534
Sind	1,125	1,075	786	294	250	222	+ 4.7	+43.1	+17.6	+32.4	585	520
Bengal	127	155	140	33	51	37	—18.1	—9.3	—35.3	—10.8	582	737
Delhi	38	40	41	12	13	13	— 5.0	— 7.3	— 7.7	— 7.7	707	728
Ajmer-Merwara	28	30	27	9	9	7	— 6.7	+ 3.7	..	+28.6	720	672
Total British Provinces	24,921	25,441	25,277	7,532	7,703	7,812	— 2.0	— 1.4	— 2.2	— 3.6	677	678
Indian States.												
Punjab States	1,411	1,445	1,379	443	455	432	— 2.4	+ 2.3	— 2.6	+ 2.5	703	705
United Provinces State (Rampur)	122	122	120	31	31	32	..	+ 1.7	..	— 3.1	569	569
Central Provinces States	75	91	93	9	17	18	—17.6	—19.4	—47.1	—50.0	268	418
Bombay States	420	485	458	130	126	133	—13.4	— 8.3	+ 3.2	— 2.3	693	581
Sind State (Khairpur)	83	86	52	25	27	15	— 3.5	+59.6	— 7.4	+66.7	674	703
Central India States	2,071	2,319	2,018	360	419	336	—10.7	+ 2.6	—14.1	+ 7.1	389	404
Gwalior State	1,631	1,646	1,293	348	394	274	— 0.9	+26.1	—11.7	+27.0	477	536
Rajputana States	1,575	1,520	1,336	389	383	351	+ 3.6	+17.9	+ 1.6	+10.8	553	564
Hyderabad State	1,247	1,259	1,214	140	156	144	— 1.0	+ 2.7	—10.3	— 2.8	251	277
Baroda State	73	74	72	28	17	22	— 1.4	+ 1.4	+64.7	+27.3	859	514
Mysore State	2	2	3	*	†	1	..	—33.3	..	..	..	..
Total Indian States	8,710	9,049	8,038	1,903	2,025	1,758	— 3.7	+ 8.4	— 6.0	+ 8.2	489	501
Grand Total	33,631	34,490	33,315	9,435	9,728	9,570	— 2.5	+ 0.9	— 3.0	— 1.4	628	631

* About 500 tons. † About 400 tons.

The fluctuations in the total Exports of Wheat from India to Foreign Countries during the last 55 years are shown below :—

(1882-83 to 1935-36)

Years.	Tons.	Rs.	Years.	Tons.	Rs.
1881-82 ..	995,050	8,62,00,618	1909-10 ..	1,050,574	12,70,90,884
1882-83 ..	709,688	6,08,88,136	1910-11 ..	1,266,150	12,95,82,291
1883-84 ..	1,050,070	8,89,58,112	1911-12 ..	1,361,166	13,34,84,580
1884-85 ..	792,494	6,31,60,182	1912-13 ..	1,660,163	17,69,37,226
1885-86 ..	1,053,446	8,00,53,311	1913-14 ..	1,202,205	13,13,33,561
1886-87 ..	1,113,181	8,62,59,856	1914-15 ..	706,383	8,32,04,161
1887-88 ..	676,908	5,56,23,733	1915-16 ..	652,879	8,44,06,594
1888-89 ..	880,570	7,52,32,794	1916-17 ..	748,913	9,15,34,812
1889-90 ..	690,110	5,79,26,147	1917-18 ..	1,454,374	19,00,27,665
1890-91 ..	716,024	6,04,24,260	1918-19 ..	473,103	6,75,30,929
1891-92 ..	1,515,335	14,38,20,022	1919-20 ..	8,642	20,36,604
1892-93 ..	748,672	7,44,03,835	1920-21 ..	237,665	4,10,03,185
1893-94 ..	607,842	5,19,39,850	1921-22 ..	80,809	1,46,82,887
1894-95 ..	344,506	2,56,62,468	1922-23 ..	220,194	3,44,02,127
1895-96 ..	500,208	3,91,43,765	1923-24 ..	638,252	9,11,80,928
1896-97 ..	95,531	83,64,498	1924-25 ..	1,111,691	17,19,49,952
1897-98 ..	119,630	1,34,11,515	1925-26 ..	211,637	3,60,24,737
1898-99 ..	976,024	9,71,96,877	1926-27 ..	175,949	2,71,07,422
1899-1900 .	485,204	3,90,94,963	1927-28 ..	299,733	4,40,57,408
1900-01 ..	2,501	3,00,832	1928-29 ..	114,707	1,69,23,702
1901-02 ..	366,090	3,25,59,204	1929-30 ..	12,971	21,24,473
1902-03 ..	514,607	4,51,53,570	1930-31 ..	196,505	1,94,87,643
1903-04 ..	1,295,565	11,08,89,546	1931-32 ..	20,215	15,12,460
1904-05 ..	2,150,025	17,90,60,692	1932-33 ..	2,194	3,82,265
1905-06 ..	939,523	8,53,43,996	1933-34 ..	2,060	3,26,964
1906-07 ..	801,445	7,25,44,650	1934-35 ..	10,962	10,60,578
1907-08 ..	889,459	8,58,50,350	1935-36 ..	9,590	9,48,076
1908-09 ..	109,757	1,34,00,777			

COTTON, 1935-36.

The preliminary Government forecast issued in August 1935 and relating to 77·5 per cent. of the total area indicated an acreage of 14,494,000 acres, as compared with 12,991,000 acres (revised) at the corresponding period in 1934, an increase of 12 per cent.

The final estimate issued in a supplementary memorandum at the end of April 1936 for the whole of India was 25,138,000 acres as compared with 24,023,000 acres (revised) for the season 1934-35, an increase of 5 per cent.

Government estimated the final yield at 5,728,000 bales as compared with 4,858,000 bales (revised) for the season 1934-35, an increase of 18 per cent. According to private estimates, which were as usual considerably higher, the final yield was a little over 65 lakhs bales.

The character of the season on the whole was good and the absence of frost in Gujrat and Kathiawar contributed towards a full crop in those areas. Another factor which made for what may be called a record crop in India was the large increase in the production of Punjab and Sind-American cotton brought about by extended cotton cultivation in the Sukkur Barrage area. The total American seed cotton production for the season 1935-36 was 13½ lakhs bales as compared with 8 lakhs bales produced in 1934-35.

The following figures show the movement of cotton through Bombay during the season 1935-36 :—

	Bales.
Stocks on 1st September 1935 including mill stocks as estimated by the East India Cotton Association, Ltd.	530,345
Arrivals during the year ending 31st August 1936 (actual bales)	3,105,964
Total ..	3,636,309

Exports during the year ending 31st August 1936 :—

By Sea—	Bales.
United Kingdom	121,770
Continent	394,295
America	3,517
China including Indo-China	94,937
Japan	1,369,308
Other Foreign Countries and Coastal Ports of India	30,383
	2,014,210
By Rail to Up-country	188,044
	2,202,254
Bombay Mill Consumption	836,460
	3,038,714
* Estimated carry-over on 31st August ..	597,595
Total ..	3,636,309

* The East India Cotton Association, Ltd., estimated the stocks on 31st August 1936 at 786,325 bales.

Exports by Sea to Foreign Countries in 1935-36 as compared with 1934-35 were as follows :—

	1935-36. Bales.	1934-35. Bales.	Increase. Per cent.
United Kingdom ..	121,770	66,261	83.77
Continent	394,295	347,612	13.42
Japan	1,369,308	1,085,376	26.16
China	94,937	86,178	10.16
America	3,517	626	461.00

The season opened with Broach April/May quoted at Rs. 191¼, Fine Oomra December/January at Rs. 171 and Bengal December/January at Rs. 130. Owing to the political tension in Europe and the outbreak of the Italo-Abyssinian hostilities the market rose from this level

and Broach April/May had advanced to Rs. 221 by 4th October. This advance was followed by a period of easier markets. Towards the end of October an improvement in American industry and mill consumption returns gave a brighter tone to all markets and following a further reduction in the U.S.A. crop forecast in November, prices improved and Broach April/May touched Rs. 230½, Oomra December/January Rs. 212¼ and Bengal December/January Rs. 160¾ on November 16th. December 1935 saw quieter markets with narrow fluctuations, Broach April/May moving between Rs. 228 and Rs. 216. The decision of the Supreme Court at Washington declaring the Agricultural Adjustment Act unconstitutional had a very bearish effect on the market and the heavy long liquidation which followed brought the April/May Broach contract down to Rs. 189½ After a temporary reaction the market again turned easy and the lowest point of the season was touched on February 26th when Broach April/May was traded in at Rs. 186¼, Oomra May at Rs. 170½ and Bengal May at Rs. 136½. From this level prices rose but slowly and on the 25th of May the Broach April/May contract matured at Rs. 200. A period of steady advance followed and the surprisingly low acreage figure published by the American Government on July 8th took the market still higher. The highest price of the season was touched on July 14th when Broach July/August stood at Rs. 243¼. After that there was a continued easiness in all cotton markets owing to improved weather conditions over the American cotton belt and Broach July/August reached maturity on August 25th at Rs. 223. The season closed on 31st August with Broach April/May 1937 at Rs. 209½, Oomra December/January at Rs. 186¾ and Bengal December/January at Rs. 152¾.

The following table gives details of arrivals into Bombay by Sea and Rail during the season with the total of the five previous years. (Actual weight converted into Bales of 3½ cwts. in each, after allowing 2 per cent. for tare in the case of receipts by rail.) Season ending 31st August in each case :—

Varieties.	1935-36.	1934-35.	1933-34.	1932-33.	1931-32.	1930-31.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Khandesh	308,848	254,473	326,265	220,402	121,806	324,940
Central India	291,231	110,745	243,550	208,096	118,798	339,182
Barsi Nugger	176,300	108,816	171,299	134,595	80,711	169,346
Hyderabad Gaorani	41,660	46,802	51,146	55,949	22,434	85,728
Berar	344,040	403,738	502,736	471,173	250,475	593,289
Central Provinces	99,823	96,808	117,698	136,713	75,094	373,926
Dhollera	335,935	196,518	156,431	297,573	250,430	281,614
North-West Provinces	63,996	35,306	9,184	8,246	26,970	93,552
Rajputana	115,558	51,925	61,623	84,484	56,570	53,365
Sind Punjab	473,626	335,372	190,913	107,256	140,672	124,112
Broach	413,597	133,579	252,100	327,831	260,317	303,695
Compta/Dharwars	112,062	94,076	92,421	96,406	86,693	98,274
Westerns/Northerns	78,565	74,639	65,472	75,428	48,586	49,378
Cocanada	201	435	475	115	10	24
Tinnevelly and Cambodia	20,629	86,593	52,368	61,326	16,851	42,670
Persians	9	2,686	2,829	8,063	2,951	1,438
Americans	27,023	75,235	26,622	75,196	280,808	140,296
Egyptians	81,236	134,623	49,971	32,745	121,032	148,947
Africans, East	185,218	258,070	143,304	133,448	133,162	179,473
Comilla, Burmah and other Sorts ..	482	1,155	28	188	† 322	* 702
Total ..	3,170,039	2,501,584	2,516,435	2,535,233	2,094,692	3,403,951

* Including 178 bales of Russian Cotton. † Including 111 bales of Russian Cotton.

The following table gives the Actual Clearances of Cotton from Bombay to different Countries during the years ending 31st August from 1929-30 to 1935-36 :—

To	1935-36.	1934-35.	1933-34.	1932-33.	1931-32.	1930-31.	1929-30.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
United Kingdom	121,770	66,261	66,598	66,812	25,053	82,741	87,255
France	75,686	51,864	64,600	101,935	21,202	120,833	183,175
Belgium	120,656	68,611	73,430	91,075	32,957	91,598	205,175
Holland	11,918	8,781	13,318	10,200	5,641	16,268	27,958
Sweden	62	84	61	140	....	330	1,155
Denmark	330	220	110	....	27	220	382
Germany	93,136	47,727	35,117	37,280	20,092	101,380	167,324
Poland	8,021	5,107	7,237	1,925	....	....	....
Portugal	1,375	165	110	....	45	85	625
Spain	36,944	33,848	29,665	23,207	15,355	35,667	66,576
Italy	37,089	111,228	88,158	86,123	30,237	143,222	205,339
Fiume			1,100	896	782	1,928	444
United Kingdom, Belgium, Holland or Germany (for orders)	550	4,915	1,581	2,180	1,600	....	....
Greece	4,855	13,793	14,936	4,707	50	2,130	919
United States of America	3,517	626	....	....	25	2,392	37,189
Chili	....	....	....	....	....	170	110
China (Including Indo-China)	94,937	86,178	157,595	135,415	209,936	469,023	467,351
Japan	1,369,308	1,085,376	978,368	1,064,633	552,508	1,434,134	1,179,964
Other Foreign Countries	7,376	4,686	844	2,448	3,180	1,577	1,382
Indian Ports—Calcutta and Coast Ports.	26,680	28,514	22,448	27,357	35,135	25,809	24,202
Total	2,014,210	1,617,984	1,555,276	1,656,336	953,825	2,529,507	2,656,525

Comparative Statement showing the actual clearances of Cotton from Bombay by Sea to different Ports during the Calendar years 1936 and 1935.

To	1936. Six months ending 30th June.	1936. Six months ending 31st Dec.	1936. Total for 12 months.	1935. Six months ending 30th June.	1935. Six months ending 31st Dec.	1935. Total for 12 months.	Increase or Decrease.	Per-centage.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
London	30	1	31	11	50	61	— 30	
Liverpool	38,926	6,949	45,875	21,950	6,800	28,750	+ 17,125	
Liverpool or Manchester	....	47	47	....	61	61	— 14	78.98
Manchester	55,405	12,268	67,673	26,543	12,301	38,844	+ 28,829	
Glasgow	298	....	298	....	129	129	+ 169	
Dakar (*for orders*)	A7,510	....	A7,510	....	....	....	+ 7,510	
Marseilles	8,702	2,823	11,525	2,081	3,411	5,492	+ 6,033	
Bordeaux	....	....	....	110	....	110	— 110	
Havre	18,283	3,048	21,331	6,102	6,543	12,645	+ 8,686	36.23
Havre or Dunkirk	456	....	456	....	....	....	+ 456	
Dunkirk	36,696	2,710	39,406	31,299	3,832	35,131	+ 4,275	
Ghent	28,774	21,885	50,659	18,257	10,377	28,634	+ 22,025	
Ghent or Antwerp	....	....	....	....	305	305	— 305	77.77
Antwerp	59,272	16,672	75,944	28,576	13,700	42,276	+ 33,668	
Hamburg, Bremen, Dunkirk, R'dam, Antwerp (*for orders*)	G234	G334	G568	G1,525	G935	G2,460	— 1,892	22.43
Hamburg	43,640	11,419	55,059	23,633	26,623	50,256	+ 4,803	
Bremen	22,249	6,690	28,939	12,344	4,012	16,356	+ 12,583	
Hamburg, Bremen, Dunkirk or R'dam, Antwerp (*optional*)	....	2,673	2,673	....	....	....	+ 2,673	....
Rotterdam	9,644	5,538	15,182	5,468	1,891	7,359	+ 7,823	106.30
Vojle	330	....	330	220	....	220	+ 110	50.00
Gothenburg	....	....	....	....	6	6	— 6	
Norrkoping	....	....	....	50	....	50	— 50	....
Stockholm	56	....	56	....	....	....	+ 56	
Abo	....	....	....	63	....	63	— 63	....

A—For United Kingdom. G—For Germany.

Comparative Statement showing the actual clearances of Cotton from Bombay by Sea to different Ports —contd.

To	1936. Six months ending 30th June.	1936. Six months ending 31st Dec.	1936. Total for 12 months.	1935. Six months ending 30th June.	1935. Six months ending 31st Dec.	1935. Total for 12 months.	Increase or Decrease.	Per-centage.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
Memel (Klaipeda) ..	20	300	320	52	....	52	+ 268	515.38
Gydnia	5,610	3,918	9,528	2,952	1,945	4,897	+ 4,631	94.56
Riga	20	....	20	....	....	....	+ 20	....
Pasages	2,640	160	2,800	1,015	1,345	2,360	+ 440	
Alicante	600	....	600	....	1,300	1,300	— 700	
Barcelona	24,449	75	24,524	14,210	12,475	26,685	— 2,161	7.95
Taragona	100	....	100	....	100	100	....	
Oporto	605	165	770	55	....	55	+ 715	
Lisbon	335	375	710	....	335	335	+ 375	330.76
Leixoes	....	200	200	....	....	....	+ 200	
Leghorn	....	....	....	110	....	110	— 110	
Fiume	....	330	330	660	941	1,601	— 1,271	
Venice	687	3,490	4,177	15,409	5,049	20,458	— 16,281	
Venice or Trieste	....	1,810	1,810	....	660	660	+ 1,150	
Venice or Mestre	....	275	275	....	....	....	+ 275	46.38
Mestre	....	55	55	500	55	555	— 500	
Naples	550	660	1,210	1,534	3,190	4,724	— 3,514	
Naples or Genoa	....	220	220	....	....	....	+ 220	
Genoa	3,412	8,569	11,981	20,111	9,800	29,911	— 17,930	
Trieste	11,740	12,715	24,455	14,725	10,279	25,004	— 549	
Susak	275	....	275	....	55	55	+ 220	400.00
Varna	991	580	1,571	185	55	240	+ 1,331	
Bourgas	1,447	302	1,749	351	470	821	+ 928	212.91
Salonica	1,937	2,600	4,537	2,540	1,894	4,434	+ 103	
Piræus	169	700	869	2,743	2,906	5,649	— 4,780	
Chalkis	....	....	....	65	....	65	— 65	47.24
Syra	....	....	....	100	....	100	— 100	
Venice (*in transit to Switzerland*) ..	110	....	110	....	....	....	+ 110	....

Comparative Statement showing the actual clearances of Cotton from Bombay by Sea to different Ports —concld.

To	1936. Six months ending 30th June.	1936. Six months ending 31st Dec.	1936. Total for 12 months.	1935. Six months ending 30th June.	1935. Six months ending 31st Dec.	1935. Total for 12 months.	Increase or Decrease.	Percentage.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
New York	....	....	....	1	....	1	— 1	
Boston	1,344	1,750	3,094	....	73	73	+ 3,021	
Savannah	....	....	....	125	....	125	— 125	
Seattle	....	5	5	....	....	....	+ 5	
Norfolk	200	....	200	....	....	....	+ 200	
Los Angeles	650	225	875	....	200	200	+ 675	578.78
Los Angeles, Portland, Seattle or San Francisco.	200	....	200	....	275	275	— 75	
San Francisco	95	....	95	....	....	....	+ 95	
Vancouver	30	25	55	....	....	....	+ 55	
Portland	50	1	51	....	....	....	+ 51	
Australian Ports	470	400	870	55	200	255	+ 615	241.17
Japanese Ports	866,487	647,761	1,514,248	759,425	363,301	1,122,726	+ 391,522	34.87
Chinese Ports	75,882	8,300	84,182	62,112	13,100	75,212	+ 8,970	11.92
Haiphong	4,555	2,000	6,555	....	1,113	1,113	+ 5,442	488.94
Colombo	1,435	383	1,818	1,375	1,229	2,604	— 786	30.18
Busrah	....	87	87	....	....	....	+ 87	....
Yembo	4	4	8	8	....	8	....	....
Aden	1	3	4	....	....	....	+ 4	....
Jaffa	100	....	100	296	262	558	— 458	82.07
Mauritius	....	....	....	2	20	22	— 22	....
Alexandria	....	1	1	....	....	....	+ 1	....
Calcutta and Coast Ports..	16,196	7,694	23,890	19,065	12,272	31,337	— 7,447	23.76
Total ..	1,353,901	799,195	2,153,096	1,098,013	535,875	1,633,888	Net Increase 519,208	or 31.77%

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864

In thousands of Bales (000's omitted).

Year ending 30th June.	Receipts.	Exports to			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.		
1864 ..	..	867	3	870	American War. In 63 and 64 Bombay imported Cotton from China.	
1865 ..	..	1,065	1	1,066		
1866 ..	..	1,187	14	1,201	42	1,243
1867 ..	..	1,277	5	1,282	46	1,328
1868 ..	..	1,030	48	1,078	47	1,125
1869 ..	..	1,225	56	1,281	48	1,329
1870 ..	..	1,115	50	1,165	49	1,214
1871 ..	..	967	39	1,006	50	1,056
1872 ..	1,085	1,002	48	1,050	52	1,102
1873 ..	1,151	1,079	34	1,113	53	1,166
1874 ..	978	917	34	951	67	1,018
1875 ..	1,311	1,192	25	1,217	83	1,300
1876 ..	1,345	1,285	20	1,305	135	1,440
1877 ..	1,073	980	35	1,015	147	1,162
1878 ..	1,141	920	38	958	161	1,119
1879 ..	961	800	46	846	204	1,050
1880 ..	832	652	64	716	181	897
1881 ..	1,171	874	34	908	220	1,128
1882 ..	1,832	1,521	87	1,608	277	1,885
1883 ..	1,770	1,335	95	1,430	313	1,743
1884 ..	1,759	1,295	100	1,395	348	1,743
1885 ..	1,139	791	70	861	392	1,253
1886 ..	1,480	1,009	61	1,070	391	1,461
1887 ..	1,703	1,147	40	1,187	454	1,641
1888 ..	1,472	893	58	951	500	1,451
1889 ..	1,851	1,286	46	1,332	565	1,897
1890 ..	2,235	1,488	71	1,559	636	2,195
1891 ..	2,020	1,070	107	1,177	762	1,939
1892 ..	1,770	905	202	1,107	728	1,835
1893 ..	1,738	816	169	985	724	1,709
1894 ..	1,769	908	159	1,067	731	1,798
1895 ..	1,540	525	143	668	815	1,483
1896 ..	2,151	800	346	1,146	849	1,995
1897 ..	1,612	603	405	1,008	703	1,711
1898 ..	1,730	424	409	833	817	1,650
1899 ..	2,033	578	520	1,098	951	2,049
1900 ..	988	117	444	561	745	1,306
1901 ..	1,896	620	340	960	696	1,656
1902 ..	2,142	525	732	1,257	987	2,244
1903 ..	2,454	921	349	1,270	986	2,256
1904 ..	2,151	1,036	423	1,459	973	2,432
1905 ..	2,609	384	664	1,048	1,072	2,120
1906 ..	2,663	1,017	477	1,494	1,141	2,635
1907 ..	2,949	1,169	747	1,916	1,115	3,031
1908 ..	2,123	731	454	1,185	1,079	2,264
1909 ..	2,166	648	723	1,366	1,099	2,465
1910 ..	3,152	1,054	968	2,022	984	3,006
1911 ..	2,467	1,014	668	1,682	953	2,635
1912 ..	2,540	383	923	1,306	1,078	2,384

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864

In thousands of Bales (000's omitted). —*contd.*

Year ending 31st August.	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill Consumption.	Total.
	India.	Foreign Countries.		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	534	1,023	30	1,587	*1,072	2,659
1914	3,733	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,135	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,786	116	2,902	494	1,381	26	1,901	*1,061	2,962
1922	3,383	109	3,492	645	1,896	52	2,593	1,074	3,667
1923	3,611	61	3,672	851	2,086	53	2,990	1,060	4,050
1924	3,227	93	3,320	1,104	1,558	53	2,715	821	3,536
1925	3,573	95	3,668	713	2,021	33	2,767	995	3,762
1926	3,208	127	3,335	552	1,874	26	2,452	778	3,230
1927	2,692	474	3,166	419	1,539	27	1,985	995	2,980
1928	3,235	189	3,424	798	1,391	34	2,223	569	2,792
1929	3,233	123	3,356	906	1,796	61	2,763	631	3,394
1930	3,317	163	3,480	946	1,647	63	2,656	877	3,533
1931	2,933	470	3,403	599	1,903	27	2,529	839	3,368
1932	1,557	538	2,095	153	763	38	954	921*	1,875
1933	2,286	250	2,536	427	1,200	30	1,657	798	2,455
1934	2,294	223	2,517	396	1,136	23	1,555	907	2,462
1935	2,030	472	2,502	413	1,171	34	1,618	885	2,503
1936	2,876	294	3,170	516	1,464	34	2,014	836	2,850

N.B.—As noted in the Chamber's Report for 1913, the figures shown above represent the volume of trade in cotton from 1st September to 31st August instead of for the year ending 30th June as was previously the case.

* Year ending 30th June.

RAINFALL AT BOMBAY, 1843 TO 1936.

The following statement showing the Rainfall registered at the Colaba Observatory, Bombay, for each month during the years 1843-1936, is published for the information of members :—

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1843 ..	..	..	..	..	0.15	7.61	20.62	17.70	8.39	0.77	..	..	55.24
1844 ..	0.06	0.33	..	..	..	18.58	29.28	5.91	8.05	0.40	..	0.10	62.71
1845 ..	..	..	..	..	..	17.88	18.07	9.54	8.63	..	..	..	54.12
1846 ..	..	..	..	..	..	26.41	33.19	6.65	6.65	1.03	..	..	73.93
1847 ..	0.09	0.02	..	0.31	1.40	37.56	16.46	8.68	5.68	0.28	5.53	..	76.01
1848 ..	..	..	..	0.59	5.67	39.98	13.90	7.37	2.32	5.84	0.19	..	75.86
1849 ..	0.34	..	..	..	..	23.41	50.99	12.66	26.13	0.75	0.61	..	114.89
1850 ..	..	..	..	..	..	14.80	20.15	5.39	4.77	4.89	0.25	..	50.25
1851 ..	..	..	..	..	0.52	24.50	47.02	20.03	3.89	0.04	0.07	..	96.07
1852 ..	..	..	0.01	..	0.30	21.76	22.17	11.16	12.67	0.19	..	1.01	69.27
1853 ..	..	0.05	0.02	..	..	33.76	13.05	5.95	9.83	..	..	..	62.66
1854 ..	..	..	..	..	..	16.34	38.95	3.90	13.61	7.49	1.85	..	82.14
1855 ..	..	..	..	..	..	29.18	11.83	3.82	5.29	9.06	..	..	50.18
1856 ..	..	..	..	..	2.09	24.66	24.48	6.73	7.78	0.06	..	0.12	65.92
1857 ..	..	..	..	..	0.57	9.26	8.74	15.71	14.21	2.78	..	..	51.27
1858 ..	..	..	..	0.15	1.57	14.44	20.12	7.48	15.47	3.22	..	..	62.45
1859 ..	..	..	..	..	..	26.87	28.70	14.59	5.94	1.06	..	..	77.16
1860 ..	..	..	..	..	0.03	21.97	22.39	7.11	8.15	2.50	..	..	62.15
1861 ..	..	..	..	..	0.69	15.43	25.34	30.35	3.24	1.86	..	..	76.91
1862 ..	..	..	..	..	0.01	22.31	15.10	12.65	21.69	1.42	0.45	..	73.63
1863 ..	0.41	..	..	0.11	0.07	23.41	30.78	10.60	9.98	2.32	..	..	77.68
1864 ..	..	..	..	..	0.01	15.42	13.36	10.72	5.59	..	0.47	..	45.57
1865 ..	0.38	..	..	..	..	10.61	18.28	36.42	4.86	6.16	1.14	..	77.85
1866 ..	..	0.11	..	..	..	13.47	40.34	20.34	3.44	0.74	..	..	78.44
1867 ..	..	..	..	..	..	8.70	39.39	12.21	6.80	5.07	0.13	..	72.30
1868 ..	..	..	0.01	..	..	13.52	20.43	20.29	7.71	0.14	0.02	..	62.12
1869 ..	..	..	..	..	0.03	26.22	23.89	15.24	22.56	3.55	0.05	0.12	91.66
1870 ..	..	..	0.03	0.02	..	21.73	26.43	6.27	7.08	4.65	..	..	66.21
1871 ..	2.22	..	..	..	1.25	8.91	9.96	8.95	6.01	0.25	2.97	0.06	40.58
1872 ..	..	..	..	..	0.06	24.43	24.84	9.49	16.59	1.07	..	..	76.48
1873 ..	..	0.05	..	..	0.51	20.36	16.98	23.96	7.77	0.07	..	..	69.70
1874 ..	..	..	..	..	0.05	18.68	41.24	11.14	11.05	0.02	..	..	82.18
1875 ..	0.47	..	..	..	..	24.36	15.39	12.23	31.76	..	0.35	..	84.56
1876 ..	..	..	..	..	0.01	12.97	23.69	8.66	4.68	..	..	..	50.01
1877 ..	0.22	0.52	..	..	..	35.58	11.10	8.51	8.89	8.33	..	..	73.15
1878 ..	0.03	..	..	0.02	0.02	19.99	48.33	20.46	16.42	4.89	2.61	..	112.77
1879 ..	..	..	0.03	..	5.23	16.56	11.21	22.36	5.61	0.40	..	..	61.40
1880 ..	..	0.01	0.02	..	..	21.48	18.37	4.08	22.80	1.18	..	..	67.94
1881 ..	..	..	0.04	..	0.36	15.29	29.47	19.06	4.56	4.17	0.09	..	73.04
1882 ..	..	0.04	0.02	0.08	0.02	27.54	26.94	3.36	10.08	1.12	0.03	..	69.23
1883 ..	0.12	..	..	..	0.33	13.65	39.88	12.57	12.37	10.40	0.86	..	90.18
1884 ..	0.03	..	..	..	..	13.25	25.87	15.29	17.04	2.22	0.60	1.14	75.44
1885 ..	..	..	..	..	0.02	5.11	21.81	25.42	12.01	3.54	..	..	67.91
1886 ..	..	..	..	0.01	0.96	43.45	35.79	10.69	6.54	1.69	0.61	..	99.74
1887 ..	..	..	..	0.02	0.09	24.07	30.98	17.59	18.23	2.79	1.02	0.16	94.95
1888 ..	1.85	0.02	0.10	..	..	15.76	22.47	11.43	4.92	0.11	1.16	..	57.82
1889 ..	..	..	..	..	0.67	19.89	30.45	10.32	2.71	3.80	..	..	67.84
1890 ..	..	..	..	0.01	0.06	24.55	21.54	10.61	6.45	0.58	1.25	1.13	66.18
1891 ..	..	..	0.22	..	..	13.99	32.48	6.94	22.53	1.04	..	..	77.20
1892 ..	..	..	..	..	0.11	13.30	23.86	36.56	18.73	1.89	0.67	..	95.12
1893 ..	..	0.14	..	0.02	6.30	21.47	16.14	13.55	7.54	0.45	1.63	..	67.24
1894 ..	0.22	..	0.06	0.01	..	16.87	26.16	8.40	12.04	3.08	..	0.01	66.85
1895 ..	..	0.07	..	..	0.08	17.84	18.04	15.97	11.91	3.62	0.06	..	67.59
1896 ..	..	..	..	..	0.26	28.02	36.44	20.77	1.62	0.01	0.53	..	87.65
1897 ..	0.01	..	..	..	..	14.40	30.19	13.82	20.60	2.51	0.22	..	81.75
1898 ..	..	0.17	..	..	0.16	27.21	20.72	5.28	19.94	0.48	0.13	..	74.09
1899 ..	..	..	..	1.57	0.08	20.81	4.72	5.23	3.49	..	..	..	35.90
1900 ..	..	..	..	..	..	18.26	25.75	17.62	7.49	..	..	..	69.12
1901 ..	0.74	..	..	0.04	0.01	25.36	32.70	14.27	1.81	0.39	..	..	75.32

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1902	..	..	..	..	..	9.77	16.96	16.53	27.11	0.78	0.01	0.81	71.99
1903	..	..	..	0.17	..	7.79	19.75	24.82	18.23	7.82	5.91	..	..	84.42
1904	..	..	..	0.07	..	0.02	15.10	10.14	5.72	1.81	0.56	..	..	33.42
1905	..	..	0.08	..	..	..	6.53	15.30	4.35	6.16	0.20	1.34	..	33.56
1906	..	..	0.15	..	..	..	12.91	18.34	20.92	3.98	..	..	..	56.30
1907	..	..	0.27	..	0.06	..	22.48	59.05	15.99	2.26	0.67	..	..	100.73
1908	..	0.09	0.07	0.06	..	..	12.39	23.65	9.87	6.79	0.62	..	..	53.54
1909	..	..	..	..	..	..	16.60	30.05	8.52	16.05	..	..	..	71.22
1910	..	..	..	..	..	0.03	23.50	6.50	18.15	15.25	4.29	0.14	..	67.86
1911	..	0.06	..	..	..	0.04	10.85	15.24	17.09	2.96	..	0.27	..	46.51
1912	..	..	..	..	..	0.43	10.79	25.40	9.90	3.26	0.65	3.62	..	54.05
1913	..	..	0.07	..	..	..	25.81	33.33	3.72	5.75	2.35	..	..	71.03
1914	..	..	0.08	..	0.07	..	16.65	30.13	13.27	21.06	0.01	0.18	..	81.45
1915	..	..	0.30	0.69	0.06	0.36	39.78	14.62	8.45	10.78	2.55	0.02	..	77.67
1916	..	..	..	..	0.04	0.07	23.43	22.78	19.51	14.59	4.79	0.72	..	85.93
1917	..	..	1.68	..	..	0.88	14.96	13.26	32.18	16.92	19.96	..	..	99.84
1918	..	..	..	1.46	..	11.00	10.82	4.25	4.81	3.11	..	0.09	..	35.54
1919	..	0.11	..	..	..	..	16.31	31.30	10.85	8.03	1.54	0.18	..	68.32
1920	..	0.99	0.33	..	..	..	8.16	22.00	5.18	4.05	0.34	..	..	41.05
1921	..	..	..	..	..	..	26.74	35.68	10.36	13.02	0.22	..	..	86.02
1922	..	..	..	..	..	..	26.48	31.15	5.08	6.95	0.61	..	0.14	70.41
1923	..	..	0.05	..	0.02	..	7.19	43.26	8.72	18.32	..	..	..	77.56
1924	..	..	..	..	..	..	7.46	16.73	15.43	12.13	0.06	0.38	..	52.19
1925	..	..	..	..	..	2.76	27.86	8.38	7.71	3.52	0.22	0.37	..	50.82
1926	..	2.99	..	..	..	0.10	6.19	30.88	22.21	8.98	1.29	..	..	72.64
1927	..	..	0.04	0.03	..	..	32.52	16.85	6.74	5.33	7.30	5.48	0.09	74.38
1928	..	..	0.01	..	..	..	27.71	30.93	16.65	9.91	0.43	0.09	..	85.72
1929	..	0.63	..	0.02	0.04	..	25.45	16.08	6.06	5.58	4.82	0.22	0.86	59.76
1930	..	..	..	..	..	0.02	26.71	10.26	6.64	43.85	52.50	..	..	89.98
1931	..	..	..	..	0.01	..	6.08	47.50	23.71	4.48	13.07	2.40	0.69	97.94
1932	..	..	..	..	..	..	10.62	35.30	6.96	11.13	9.01	0.01	..	73.03
1933	..	..	..	..	..	2.85	10.29	14.13	18.81	12.31	3.04	0.01	0.93	62.37
1934	..	..	..	..	..	..	28.5	21.4	14.0	5.9	0.2	3.8	..	73.81
1935	..	..	..	..	..	..	27.9	24.10	16.69	11.99	1.04	0.18	..	81.60
1936	..	..	..	..	..	0.33	32.63	8.09	9.27	5.72	0.01	2.31	..	58.36

RAINFALL OF THE YEAR 1936.

The following table is compiled from the Reports issued by the Meteorological Department in order to present, in a condensed form, a definite record of the weather during the South-West Monsoon months of the past year and also during the whole year :—

Division.	Station.	From 1st June to 31st Oct. 1936.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1936.	Annual normal.
Bay Islands ..	Port Blair	90.9	+12.4	124.9	116
Lower Burma ..	Victoria Point	106.1	—21.6	129.9	166
	Mergui	110.7	—17.9	151.9	161
	Tavoy	173.5	—11.0	201.1	215
	Amherst	182.3	..	215.9	213
	Rangoon	105.2	+23.7	123.7	99
	Bassein	92.4	— 1.6	107.0	109
	Diamond Island	114.0	+14.4	136.3	118
	Gwa	191.6	+36.7	209.3	172
	Toungoo	60.1	—10.3	75.8	83
	Kyaukpyu	125.1	—37.7	143.6	188
	Akyab	135.3	—45.1	158.7	203

Division.	Station.	From 1st June to 31st Oct. 1936.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1936.	Annual normal.
Upper Burma ..	Minbu	23.8	— 2.4	31.5	35
	Yamethin	20.7	— 6.9	28.8	38
	Mandalay	17.8	— 6.0	26.2	33
	Monywa	22.2	— 0.7	29.1	31
	Bhamo	60.2	.0	76.0	72
	Myitkyina	61.2	— 6.0	74.7	79
Assam	Dibrugarh	84.5	+ 7.3	115.7	108
	Sibsagar	69.4	+ 5.1	100.0	96
	Tezpur	57.0	+ 3.9	80.2	74
	Gauhati	41.7	— 3.8	58.9	65
	Dhubri	67.0	— 6.5	87.0	97
	Silchar	77.8	— 4.3	123.0	125
Bengal	Cox's Bazar	123.3	+ 5.3	141.7	141
	Chittagong	75.4	— 5.9	104.0	103
	Narayanganj	53.3	— 0.1	76.8	74
	Barisal	55.3	— 7.7	78.8	82
	Jessore	43.8	— 5.5	63.1	66
	Calcutta	57.1	+ 6.0	68.2	63
	Sangor Island	55.3	— 3.9	70.5	69
	Burdwan	63.7	+17.6	79.9	59
	Berhampore	46.7	— 0.5	56.3	57
	Mymensingh	64.9	— 5.5	91.8	93
	Bogra	42.7	—14.3	55.9	71
	Dinajpur	55.1	— 4.3	69.7	71
	Jalpaiguri	116.4	+11.5	140.5	122
Orissa	Balasore	51.6	+ 1.5	75.7	63
	Chandbali	59.5	..	83.4	61
	Cuttack	..	..	..	59
	Gopalpur	66.6	+30.6	80.3	45
	Sambalpur	77.5	+16.9	80.7	66
Chota Nagpur ..	Chaibasa	44.2	+ 0.9	55.1	52
	Ranchi	58.5	+ 8.9	66.0	57
	Hazaribagh	58.9	+11.9	70.4	53
	Daltonganj	56.7	+16.4	60.4	45
Bihar	Purnea	76.3	+21.5	82.3	62
	Darbhanga	45.8	+ 0.9	50.9	50
	Patna	60.8	+16.3	64.4	49
	Gaya	55.8	+12.1	59.3	47
	Naya Dumka	56.0	+ 6.1	64.4	57
United Provinces, East.	Gorakhpur	66.3	+20.0	68.7	50
	Benares	50.5	+12.9	53.9	41
	Allahabad	46.5	+10.1	50.1	39
	Cawnpore	52.5	+19.3	56.6	36
	Lucknow	58.8	+23.7	62.1	39
	Bahraich	61.2	+20.8	66.4	45
United Provinces, West.	Jhansi	27.0	— 6.9	30.9	36
	Agra	34.0	+ 9.5	36.5	27
	Mainpuri	31.1	+ 7.1	34.5	27
	Bareilly	61.6	+22.1	66.7	44
	Meerut	27.2	— 0.3	30.5	32
	Roorkee	47.1	+11.1	53.6	42
	Dehra Dun	106.5	+32.5	121.3	88
Punjab, East and North.	New Delhi	37.6	+14.6	40.9	27
	Hissar	7.2	— 7.6	9.2	15
	Ambala	36.5	+12.3	41.7	31
	Ludhiana	22.9	+ 0.5	27.3	29
	Lahore	17.0	+ 1.9	20.7	20
	Sialkot	41.1	+18.1	49.5	31
	Rawalpindi	30.4	+ 7.4	51.8	35
Punjab, South-West.	Khushab	11.8	+ 2.1	22.8	15
	Lyallpur	8.4	— 2.9	11.5	13
	Montgomery	11.8	+ 3.8	14.4	11
	Multan	9.5	+ 4.4	12.4	7
	Bahawalpur	8.1	+ 4.3	10.1	6
	Khanpur	2.8	— 2.0	5.3	7

Division.	Station.	From 1st June to 31st Oct. 1936.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1936.	Annual normal.
Kashmir ..	Srinagar	4.4	— 4.4	9.2	26
	Gulmarg	..	..	..	..
	Sonamarg	8.3	— 7.3	93.5	71
	Dras	1.9	— 1.5	39.3	21
	Leh	2.2	+ 0.6	2.8	3
	Skardu	1.5	— 0.5	8.0	7
	Gilgit	0.6	— 1.4	7.1	5
N. W. Frontier Province.	Peshawar	2.1	— 2.7	16.4	13
	Miranshah	7.0	..	13.3	..
	Dera Ismail Khan	2.5	— 2.9	5.6	9
	Fort Sandeman	8.7	+ 3.1	17.3	11
	Harnai	6.0	— 1.7	19.6	14
	Quetta	0.1	..	8.5	10
	Chaman	0	— 0.3	8.0	7
Baluchistan ..	Kalat	0.4	— 0.8	8.5	7
	Dalbandin	0	— 0.3	3.8	4
	Nokkundi	0	..	2.4	..
	Panjgur	1.4	..	5.7	5
	Pasni	0.1	— 1.1	3.3	7
	Jacobabad	2.5	+ 0.2	4.3	4
	Naushahro	2.5	..	3.3	4
Sind	Hyderabad	3.7	— 2.4	4.1	7
	Karachi	3.4	— 2.5	4.2	8
	Badin	13.6	..	15.7	9
	Sri Ganganagar	3.6	..	..	..
Rajputana, West.	Bikaner	18.2	+ 8.4	19.0	12
	Jodhpur	9.7	— 2.7	11.8	14
	Barmer	6.8	..	7.4	10
	Jaipur	20.4	— 1.6	22.2	24
	Ajmer	17.7	— 2.9	19.8	21
Rajputana, East.	Kotah	20.1	— 6.2	23.1	28
	Brijnagar	22.5	..	25.9	36
	Udaipur	9.5	—12.5	10.8	24
	Deesa	10.2	—13.6	11.0	25
	Bhuj	6.1	— 7.7	8.2	14
	Dwarka	11.0	— 1.8	12.1	13
	Rajkot	17.2	— 8.1	18.2	26
	Veraval	19.4	+ 1.3	20.5	19
Gujarat ..	Surat	24.2	—16.1	27.5	41
	Bhavnagar	22.8	+ 2.7	27.5	21
	Ahmedabad	21.1	— 6.8	22.2	29
	Dohad	15.2	..	18.1	29
	Tankhala	..	..	..	..
	Baroda	24.3	..	27.6	..
	Guna	41.2	..	48.6	..
Central India, West.	Neemuch	19.7	— 7.8	21.7	29
	Indore	26.8	— 4.5	34.1	33
	Bhopal	42.9	..	51.8	44
Central India, East.	Nowgong	37.8	— 2.2	63.0	42
	Sutna	42.1	+ 0.8	51.3	45
Berar	Akola	28.6	0	45.8	31
	Amraoti	30.5	+ 0.5	38.8	33
	Khandwa	25.7	— 2.1	40.5	30
	Hoshangabad	48.0	+ 1.9	56.6	49
Central Provinces, West.	Saugor	39.1	— 3.0	46.9	44
	Jubbulpore	54.3	+ 3.0	64.0	55
	Seoni	48.8	— 0.1	55.3	53
	Nagpur	56.4	+11.6	63.9	49
	Pendra	56.7	+13.0	62.4	50
Central Provinces, East.	Raipur	62.0	+15.3	68.8	51
	Kanker	70.9	..	73.7	51
	Chanda	75.8	+28.1	83.2	51
	Jagdalpur	77.6	+21.1	87.1	64
	Bombay	55.7	—13.3	58.3	71
	Matheran	..	..	..	..
Konkan ..	Ratnagiri	102.8	+ 5.4	109.6	100
	Marmagoa	83.5	..	87.9	..
	Karwar	109.6	— 4.5	123.5	116

Division.	Station.	From 1st June to 31st Oct. 1936.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1936.	Annual normal.
	Malegaon	12.7	— 7.4	25.3	22
	Ahmednagar	7.1	—12.3	12.5	22
	Khandala	162.2	..	162.4	..
	Poona	14.8	— 9.2	18.3	27
Bombay Deccan.	Sholapur	13.0	—11.6	22.1	29
	Miraj	15.9	..	20.8	25
	Bijapur	6.1	—11.1	10.6	21
	Belgaum	37.9	— 5.6	42.6	50
	Gadag	19.8	..	27.0	25
Hyderabad,	Aurangabad	17.9	— 6.9	26.2	27
North.	Parbhani	19.3	— 9.7	30.3	33
	Nizamabad	38.2	+ 1.4	47.5	40
	Gulbarga	15.1	—11.9	18.3	31
Hyderabad,	Raichur	15.5	— 9.1	18.8	26
South.	Hyderabad	22.1	— 5.6	32.5	32
	Hanamkonda	34.5	+ 4.1	47.8	33
	Chitaldrug	12.6	— 5.1	20.1	25
Mysore	Bangalore	20.7	— 4.6	30.3	35
	Mysore	22.1	+ 1.8	36.7	31
	Mangalore	138.6	+24.3	163.0	126
Malabar ..	Calicut	100.6	+ 2.7	135.7	117
	Cochin	72.2	—14.3	115.5	114
	Trivandrum	36.1	— 3.5	72.9	65
	Palamcottah	7.0	— 2.6	29.1	28
	Pamban	8.7	— 3.0	..	37
	Madura	12.5	— 7.9	29.9	33
	Negapatam	11.1	— 9.9	40.8	55
Madras,	Trichinopoly	9.6	— 9.0	31.6	33
South-East.	Coimbatore	11.5	— 0.7	21.5	22
	Salem	22.1	— 4.9	32.6	39
	Cuddalore	14.9	—11.8	47.5	52
	Vellore	15.4	—12.2	33.6	42
	Madras	23.8	— 3.4	44.3	51
	Cuddapah	12.8	—11.2	21.1	31
	Bellary	11.3	— 3.7	17.7	21
Madras, Deccan.	Kurnool	12.5	— 9.9	16.9	26
	Anantapur	10.4	..	17.4	25
	Rentichintala	..	..	24.4	..
	Nellore	16.9	— 3.5	70.1	38
Madras Coast,	Masulipatam	31.1	— 1.1	47.4	42
North.	Cocanada	54.3	+24.6	69.3	39
	Vizagapatam	26.8	— 1.5	39.7	37
	Calingapatam	37.0	+ 2.6	46.7	42
	Maymyo	36.5	— 5.7	48.9	58
	Lashio	34.6	—13.4	49.1	62
	Shillong	56.0	— 6.8	100.9	84
	Cherrapunji	315.6	—17.9	..	424
	Darjeeling	103.6	— 2.0	129.5	123
	Muktesar	71.8	+31.4	86.7	52
	Mussooree	110.4	+39.3	127.8	84
	Simla	47.9	— 0.8	62.3	64
Hill Stations,	Dharampur	60.6	..	79.1	..
excluding	Dalhousie	65.3	+ 7.5	105.4	85
Kashmir and	Murree	35.0	— 2.7	71.6	60
Baluchistan.	Cherat	9.8	— 1.9	33.6	27
	Parachinar	10.9	..	25.9	29
	Drosh	1.7	..	20.3	17
	Mount Abu	22.0	—36.5	23.4	61
	Pachmarhi	65.5	— 7.1	24.2	77
	Mahableshwar	221.8	—38.3	227.9	266
	Mercara	140.0	+27.7	151.1	125
	Kodaikanal	34.5	+ 1.5	..	62
	Coonoor	30.3	..	73.3	66
Ceylon	Colombo	28.5	— 6.8	99.7	84

STATEMENT showing the Total Measurement of Bales and Miscellaneous Packages with Receipts, Expenditure, etc.

Year ending	No. of Bales and Packages measured.	Receipts.	Expenditure.	Surplus Receipts.	Excess of Expenditure.
		Rs.	Rs.	Rs.	Rs.
From 18th May 1870 to 30th November 1872	Not recorded.	52,215	36,315	15,900	..
From 1st Dec., 1872 to 30th November 1873	1,086,577	16,995	15,291	1,704	..
Year ending 30th November 1874 ..	1,402,379	21,707	18,986	2,721	..
Do. 30th November 1875 ..	1,474,470	23,039	22,009	1,030	..
Do. 30th November 1876 ..	1,240,034	19,375	22,355	..	2,980
Do. 30th November 1877 ..	1,101,318	18,324	21,561	..	3,237
Do. 30th November 1878 ..	1,040,961	20,837	23,287	..	2,450
Do. 30th November 1879 ..	887,100	28,808	20,140	8,668	..
Do. 30th November 1880 ..	1,163,545	33,219	20,084	10,135	..
Do. 30th November 1881 ..	1,313,592	25,177	24,029	1,147	..
Do. 30th November 1882 ..	1,892,796	33,225	24,757	8,468	..
Do. 30th November 1883 ..	1,852,047	33,792	25,605	8,187	..
Do. 30th November 1884 ..	1,814,986	33,404	22,604	10,800	..
Do. 31st December 1885 ..	1,402,845	29,482	24,385	5,097	..
Do. 31st December 1886 ..	1,748,856	32,893	21,582	11,311	..
Do. 31st December 1887 ..	1,845,446	35,933	20,017	15,916	..
Do. 31st December 1888 ..	1,659,273	36,371	21,057	15,314	..
Do. 31st December 1889 ..	2,156,604	43,042	21,648	21,394	..
Do. 31st December 1890 ..	2,335,935	45,872	23,171	22,701	..
Do. 31st December 1891 ..	2,012,900	39,533	23,402	16,131	..
Do. 31st December 1892 ..	1,946,389	38,017	24,495	13,522	..
Do. 31st December 1893 ..	1,691,755	32,517	24,273	8,244	..
Do. 31st December 1894 ..	1,708,723	33,665	25,156	8,509	..
Do. 31st December 1895 ..	1,679,325	34,921	21,546	13,375	..
Do. 31st December 1896 ..	2,049,862	40,061	22,240	17,821	..
Do. 31st December 1897 ..	1,746,610	33,956	22,484	11,472	..
Do. 31st December 1898 ..	1,910,140	36,174	21,100	15,074	..
Do. 31st December 1899 ..	2,132,663	41,684	21,041	20,643	..
Do. 31st December 1900 ..	1,147,591	28,302	20,844	7,458	..
Do. 31st December 1901 ..	2,947,198	45,497	21,918	23,579	..
Do. 31st December 1902 ..	2,159,823	43,709	26,865	16,844	..
Do. 31st December 1903 ..	2,664,171	53,654	31,522	22,132	..
Do. 31st December 1904 ..	2,292,791	48,673	19,666	29,007	..
Do. 31st December 1905 ..	2,534,599	53,255	21,427	31,828	..
Do. 31st December 1906 ..	2,685,432	54,215	23,516	30,699	..
Do. 31st December 1907 ..	2,976,312	60,171	27,054	33,117	..
Do. 31st December 1908 ..	2,302,349	48,844	29,706	19,138	..
Do. 31st December 1909 ..	2,736,023	57,502	28,310	29,192	..
Do. 31st December 1910 ..	3,163,919	65,853	30,617	35,236	..
Do. 31st December 1911 ..	2,390,016	54,123	34,028	20,095	..
Do. 31st December 1912 ..	2,528,825	55,571	31,953	23,618	..
Do. 31st December 1913 ..	3,127,997	64,049	32,441	31,608	..
Do. 31st December 1914 ..	3,336,685	65,197	36,014	29,183	..
Do. 31st December 1915 ..	3,361,744	73,410	35,002	38,408	..
Do. 31st December 1916 ..	3,409,241	85,407	37,571	47,836	..
Do. 31st December 1917 ..	2,944,353	67,356	41,360	25,996	..
Do. 31st December 1918 ..	1,933,943	73,386	41,640	31,746	..
Do. 31st December 1919 ..	2,910,991	86,189	46,154	40,035	..
Do. 31st December 1920 ..	3,027,873	1,06,901	70,146	36,755	..
Do. 31st December 1921 ..	3,407,858	1,54,071	70,208	83,863	..
Do. 31st December 1922 ..	3,517,691	1,60,333	76,399	83,934	..
Do. 31st December 1923 ..	2,692,835	1,24,179	76,939	47,240	..
Do. 31st December 1924 ..	2,365,531	1,16,002	72,034	43,968	..
Do. 31st December 1925 ..	2,111,055	1,09,375	69,703	39,672	..
Do. 31st December 1926 ..	1,785,602	1,08,621	68,203	40,418	..
Do. 31st December 1927 ..	1,573,756	1,33,382	74,855	58,527	..
Do. 31st December 1928 ..	1,991,021	1,13,092	71,963	41,129	..
Do. 31st December 1929 ..	1,825,481	1,02,578	69,338	33,240	..
Do. 31st December 1930 ..	1,812,795	1,00,015	69,192	30,823	..
Do. 31st December 1931 ..	1,288,522	82,470	62,917	19,553	..
Do. 31st December 1932 ..	985,491	79,726	60,855	18,871	..
Do. 31st December 1933 ..	1,255,823	77,857	57,161	20,696	..
Do. 31st December 1934 ..	1,185,092	76,413	55,958	20,455	..
Do. 31st December 1935 ..	1,312,477	80,997	60,126	20,871	..
Do. 31st December 1936 ..	1,480,674	87,086	60,676	26,410	..

Statement showing the Total Measurement of Bales and Miscellaneous Packages, with Receipts for the years 1923 *to* 1936.

Years.	Nett Bales certified.				Nett Miscellaneous Articles.				Nett Round Logs.				Extra Fees.				Nett Tolas.			
	Number of Bales.	Nett Fees.			Number of Packages.	Nett Fees.			Number of Logs.	Nett Fees.			Articles certified	Amount.			Packages.	Nett Fees		
		Rs.	a.	p.		Rs.	a.	p.		Rs.	a.	p.		Rs.	a.	p.		Rs.	a.	p.
1923..	2,024,508	63,265	14	0	668,323	57,951	2	3	4	2	0	0	..	2,960	7	6	2,692,835	1,24,179	7	9
1924..	1,723,813	53,869	2	6	641,718	58,174	5	9	..	..			..	3,834	0	0	2,365,531	1,15,877	8	3
1925..	1,579,403	49,356	5	6	531,652	55,700	2	6	..	..			..	4,318	7	6	2,111,055	1,09,374	15	6
1926..	1,254,587	39,205	13	6	531,015	63,323	9	0	..	..			..	6,091	7	6	1,785,602	1,08,620	14	0
1927..	994,512	31,141	0	0	577,244	68,542	0	0	..	..			..	33,699	10	0	1,573,756	1,33,382	10	0
1928..	1,480,555	46,267	5	6	510,388	60,803	15	0	78	39	0	0	..	5,981	6	0	1,991,021	1,13,091	10	6
1929..	1,328,917	41,528	10	6	496,505	58,565	3	0	59	29	8	0	..	2,876	0	6	1,825,481	1,02,999	6	0
1930..	1,365,626	42,675	13	0	447,169	51,784	15	0	..	..			..	6,096	7	6	1,812,795	1,00,557	3	6
1931..	882,510	27,578	7	0	406,012	47,149	1	0	..	..			..	7,743	1	0	1,288,522	82,470	9	0
1932..	487,331	15,229	1	6	498,160	56,297	1	0	..	..			..	7,778	15	0	985,491	79,305	1	0
1933..	834,305	26,072	0	6	421,518	46,986	4	0	..	..			..	4,257	2	6	1,255,823	77,315	7	0
1934..	738,590	23,080	15	0	446,502	51,297	12	0	..	..			..	1,370	4	0	1,185,092	75,748	15	0
1935..	861,868	26,933	6	0	450,609	51,453	10	0	..	..			..	2,069	6	6	1,312,477	80,456	4	6
1936..	1,003,105	31,347	0	6	477,562	54,601	2	0	7	3	8	0	..	670	8	6	1,480,674	86,622	3	0

FINANCIAL STATISTICS.

	Rs.
NOTES ISSUED BY THE RESERVE BANK OF INDIA :—	
Total amount of Notes in circulation on the 25th December 1936—	
Notes held in the Banking Department..	9,29,48,000
Notes in circulation	1,89,85,46,000
Total Rs. ..	1,99,14,94,000

	Rs.
RESERVE—	
Gold Coin and Bullion—	
(*a*) Held in India	41,55,19,000
(*b*) Held outside India	2,86,98,000
Sterling Securities	67,31,71,000
Rupee Coin	64,00,42,000
Government of India Rupee Securities	23,40,64,000
Internal Bills of Exchange and other Commercial Paper	....
Total Rs. ..	1,99,14,94,000

	Rs.
BALANCE HELD IN CASH IN THE DISTRICT TREASURIES of the Government of India and at the credit of Government in the Reserve Bank of India on 31st December 1932	8,77,78,000
" " " " " " " " 1933	8,31,81,000
" " " " " " " " 1934	8,46,23,000
" " " " " " " " 1935	8,84,82,000
" " " " " " " " 1936	9,83,12,000

	Official year 1935-36. Rs.	Official year 1934-35. Rs.	Official year 1933-34. Rs.
COINAGE OF SILVER IN INDIA—(Bombay and Calcutta Mints)— Whole Rupees and Small Coins	*Nil.*	*Nil.*	20,28,263

NET PROFIT ON COINAGE for the year ending 31st December 1936	Rs. *Nil.*

	Rs.
AMOUNT OF GOVERNMENT PROMISSORY NOTES standing on the London Registers at the end of March 1932 ..	8,39,70,250
" " " " " " " " " " " " 1933 ..	8,26,75,850
" " " " " " " " " " " " 1934 ..	8,16,29,300
" " " " " " " " " " " " 1935 ..	8,48,36,000
" " " " " " " " " " " " 1936 ..	8,48,57,000
" " " " " " " " " " " " 1937 ..	7,74,07,000

IMPORT AND EXPORT TRADE OF BRITISH INDIA.

STATEMENT showing the Annual Value of the Import and Export Trade of British India and the Total Miles of Railway opened.

Calendar Year.	Total Miles of Railway opened.	Year ending 31st March.	Imports.			Exports.		
			Merchandise.	Treasure.	Total Merchandise and Treasure.	Merchandise.	Treasure.	Total Merchandise and Treasure.
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1878 ..	8,217	1878	41,46,41,851	17,35,54,596	58,81,96,447	65,22,23,282	2,21,09,956	67,43,33,238
1879 ..	8,494	1879	37,80,09,835	7,05,67,486	44,85,77,321	60,93,68,769	3,98,22,283	64,91,91,052
1880 ..	9,162	1880	41,17,25,671	11,65,48,948	52,82,74,619	67,21,07,406	2,03,51,479	69,24,58,885
1881 ..	9,890	1881	53,08,68,074	8,99,72,139	62,08,40,213	74,54,09,672	1,44,04,408	75,98,13,480
1882 ..	10,149	1882	49,11,28,724	11,32,27,804	60,43,56,528	81,96,64,102	1,09,97,468	83,06,61,576
1883 ..	10,458	1883	52,09,86,720	13,45,33,642	65,55,20,362	83,48,49,372	1,04,18,488	84,52,67,860
1884 ..	11,631	1884	55,29,89,907	12,87,79,633	68,17,69,540	88,07,64,315	1,00,84,937	89,08,49,252
1885 ..	12,283	1885	55,70,16,804	13,88,81,918	69,58,98,722	83,17,01,507	1,96,89,796	85,13,91,302
1886 ..	12,892	1886	55,65,19,552	15,46,70,808	71,11,90,360	83,86,11,693	1,10,82,310	84,96,94,603
1887 ..	14,103	1887	61,81,19,608	11,04,83,224	72,86,02,832	88,48,10,354	1,72,04,261	90,20,14,615
1888 ..	14,576	1888	65,00,45,881	13,81,25,456	78,81,71,337	90,54,36,458	1,60,46,242	92,14,82,700
1889 ..	15,887	1889	69,43,77,531	13,84,49,249	83,28,26,780	97,06,02,386	1,78,43,819	98,84,46,205
1890 ..	16,401	1890	68,19,93,762	17,45,45,037	86,65,38,799	1,03,44,87,052	1,90,63,218	1,05,35,50,270
1891 ..	17,308	1891	71,97,57,754	21,93,44,876	93,91,02,630	1,00,21,50,575	2,12,31,785	1,02,33,82,360
1892 ..	17,815	1892	69,42,75,659	14,72,26,621	84,15,02,280	1,08,17,79,873	3,28,66,858	1,11,46,46,731
1893 ..	18,504	1893	66,27,86,222	17,00,98,101	83,28,84,323	1,06,57,46,715	6,95,89,237	1,13,53,35,952
1894 ..	18,900	1894	77,02,60,944	18,46,12,564	95,48,73,508	1,06,51,48,540	4,10,01,921	1,10,61,50,461
1895 ..	19,547	1895	73,51,65,042	9,58,12,084	83,09,77,126	1,08,92,91,101	8,22,60,717	1,17,15,51,818
1896 ..	20,254	1896	72,93,61,344	13,36,79,854	86,30,41,198	1,14,34,59,341	4,25,98,105	1,18,60,57,446
1897 ..	21,115	1897	76,21,58,352	13,08,45,635	89,30,03,987	1,03,98,36,184	4,93,74,955	1,08,92,11,139
1898 ..	22,040	1898	73,63,43,159	20,53,06,170	94,16,49,329	97,63,51,802	7,14,86,470	1,04,78,38,272
1899 ..	23,523	1899	72,11,07,161	17,89,56,127	90,00,63,238	1,12,80,11,811	7,41,14,207	1,20,21,26,018
1900 ..	24,752	1900	75,30,44,785	20,97,36,851	96,27,81,636	1,09,11,36,448	7,95,63,876	1,17,07,00,324

1901 ..	25,363	1901	80,89,40,873	24,57,61,818	1,05,47,02,691	1,07,76,44,143	14,22,73,646	1,21,99,17,789
1902 ..	25,931	1902	88,74,24,199	20,87,13,352	1,09,61,37,551	1,24,52,48,571	11,47,08,603	1,35,99,57,174
1903 ..	26,956	1903	85,86,60,829	25,31,83,178	1,11,18,44,007	1,29,40,79,337	9,65,76,370	1,39,06,55,707
1904 ..	27,565	1904	92,59,22,723	38,52,61,072	1,31,11,83,795	1,53,51,71,599	15,04,38,811	1,68,56,10,410
1905 ..	28,295	1905	1,04,11,27,454	39,50,81,750	1,43,92,09,204	1,57,70,83,029	16,42,88,167	1,74,13,71,196
1906 ..	29,097	1906	1,12,07,09,822	31,65,14,438	1,43,72,24,260	1,61,85,53,960	15,47,00,054	1,77,32,54,014
1907 ..	30,010	1907	1,17,24,15,294	44,57,98,114	1,61,82,13,408	1,76,66,94,270	5,71,82,526	1,82,38,76,796
1908 ..	30,576	1908	1,36,53,80,464	42,28,44,977	1,78,82,25,441	1,77,37,29,392	5,44,85,001	1,82,82,14,393
1909 ..	31,490	1909	1,28,77,81,788	22,74,41,677	1,51,52,23,465	1,53,14,31,953	6,32,02,465	1,59,46,34,418
1910 ..	32,099	1910	1,22,64,97,224	37,52,34,734	1,60,17,31,958	1,87,83,04,410	6,39,90,403	1,94,22,94,813
1911 ..	32,839	1911	1,33,70,57,458	39,77,35,730	1,73,47,93,188	2,10,15,16,030	7,12,69,254	2,17,27,85,284
1912 ..	33,484	1912	1,44,05,54,383	53,47,08,480	1,97,52,62,863	2,27,98,82,325	10,37,39,063	2,38,36,21,388
1913 ..	34,656	1913	1,66,62,96,807	61,83,17,536	2,28,46,14,343	2,46,21,83,342	10,63,17,656	2,56,85,00,998
*1913 14..	34,656	1914	1,91,30,79,586	43,43,96,503	2,34,74,76,089	2,49,00,74,896	7,08,28,850	2,56,09,03,746
*1914 15..	35,285	1915	1,44,93,07,207	21,80,83,236	1,66,73,90,443	1,82,17,60,256	5,28,94,370	1,87,46,54,626
*1915 16..	35,833	1916	1,38,16,93,032	11,94,62,390	1,50,11,55,422	1,99,48,03,975	8,22,57,819	2,07,70,61,794
*1916 17..	36,286	1917	1,60,24,89,599	37,71,08,121	1,97,95,97,720	2,47,31,10,343	6,29,72,057	2,53,60,82,400
*1917 18..	36,333	1918	1,64,35,48,949	†....	†....	2,44,89,45,219	†....	†....
*1918 19..	36,616	1919	1,88,56,24,317	71,36,55,075	2,59,92,79,392	2,55,32,02,610	9,01,03,571	2,64,33,06,181
*1919–20..	36,735	1920	2,21,70,24,425	78,23,88,554	2,99,94,12,979	3,32,75,78,755	13,67,97,719	3,46,43,76,474
*1920–21..	37,029	1921	3,47,13,52,122	34,76,34,962	3,81,89,87,084	2,67,64,36,175	26,17,12,640	2,93,81,48,815
*1921–22 ..	37,266	1922	2,82,59,75,453	31,29,90,526	3,13,89,65,979	2,48,65,76,106	19,06,73,144	2,67,72,49,250
*1922 23..	37,618	1923	2,46,19,24,109	63,57,96,096	3,09,77,20,205	3,16,07,16,915	3,01,71,845	3,19,08,88,760
*1923–24..	38,039	1924	2,37,18,32,279	53,20,40,566	2,90,38,72,845	3,63,37,63,664	3,67,32,510	3,67,04,96,174
*1924–25..	38,270	1925	2,53,36,36,608	99,19,84,987	3,52,56,21,595	4,00,24,27,531	5,16,81,392	4,05,41,08,923
*1925–26..	38,610	1926	2,36,00,12,595	55,48,77,580	2,91,48,90,175	3,86,81,21,842	3,83,91,668	3,90,65,13,510
*1926–27..	39,048	1927	2,40,81,84,303	41,53,20,573	2,82,35,04,876	3,11,05,04,300	2,21,13,404	3,13,26,17,704
*1927–28..	39,048	1928	2,61,53,40,569	34,89,52,529	2,96,42,94,098	3,30,26,37,283	3,13,60,826	3,33,39,98,179
*1928–29..	40,330	1929	2,63,39,79,360	37,29,42,646	3,00,69,22,006	3,39,15,06,656	6,35,31,454	3,45,50,38,110
*1929–30..	41,723	1930	2,49,70,74,490	27,83,19,584	2,77,53,94,074	3,18,98,97,089	5,14,33,004	3,24,13,30,093
*1930 31..	42,281	1931	1,73,06,25,932	26,86,34,373	1,99,92,60,305	2,26,50,21,864	4,00,08,598	2,30,50,30,462
*1931 32..	42,813	1932	1,30,64,28,506	7,26,80,825	1,37,91,09,331	1,61,20,22,325	65,92,85,265	2,27,13,07,590
*1932 33..	42,973	1933	1,35,01,76,054	2,99,13,188	1,38,00,89,242	1,36,06,79,382	70,66,15,528	2,06,72,85,910
*1933 34..	42,973	1934	1,17,30,45,422	1,96,15,215	1,19,26,60,637	1,51,17,15,209	65,56,63,908	2,16,73,79,117
*1934 35..	43,021	1935	1,34,58,25,058	5,19,17,165	1,39,77,42,223	1,55,49,71,644	63,50,46,139	2,19,00,17,783
*1935 36..	43,118	1936	1,36,76,76,131	7,41,88,569	1,44,21,64,700	1,64,59,67,984	45,66,88,147	2,10,26,56,131

* Official year ending 31st March.

† Figures not available.

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1930-31 *to* 1935-36.

——	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
IMPORTS—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Merchandise, Private —						
Bengal	51,20,96,789	34,66,08,177	35,43,50,471	32,82,95,421	36,15,44,994	38,63,30,062
Bombay	56,93,80,038	49,76,07,176	54,31,54,339	46,18,75,025	53,69,54,890	54,52,92,636
Sind	19,48,04,711	15,85,98,186	16,26,36,975	12,96,47,462	15,24,73,187	14,62,25,407
Madras	20,70,46,969	15,58,55,383	15,86,69,604	14,81,00,305	17,35,12,513	15,71,10,641
Burma	16,46,08,356	10,50,45,193	10,70,31,786	8,56,51,931	9,83,79,069	10,87,08,850
Total ..	1,64,79,36,863	1,26,37,14,115	1,32,58,43,175	1,15,35,70,144	1,32,28,64,653	1,34,36,67,596
Do. Government Stores.	8,26,89,069	4,27,14,391	2,43,32,879	1,94,75,278	2,29,60,405	2,40,08,535
Total Merchandise ..	1,73,06,25,932	1,30,64,28,506	1,35,01,76,054	1,17,30,45,422	1,34,58,25,058	1,36,76,76,131
Treasure, Private—						
Bengal	4,19,45,115	1,22,75,682	26,61,723	9,45,237	13,07,497	20,39,571
Bombay	17,91,44,927	4,43,50,799	1,91,04,670	1,01,30,351	4,48,77,330	4,79,61,620
Sind	38,60,301	13,79,775	24,82,172	34,45,895	17,68,825	7,85,859
Madras	4,03,77,844	1,39,78,408	53,11,351	50,00,987	39,55,880	37,45,414
Burma	26,23,109	6,05,406	3,45,430	35,309	6,216	3,626
Total ..	26,85,51,296	7,25,90,070	2,99,05,346	1,95,57,779	5,19,15,748	5,45,36,090
Do. Government ..	83,077	90,755	7,842	57,436	1,417	1,99,52,479
Total Treasure ..	26,86,34,373	7,26,80,825	2,99,13,188	1,96,15,215	5,19,17,165	7,44,88,569
Grand Total of Imports.	1,99,92,60,305	1,37,91,09,331	1,38,00,89,242	1,19,26,60,637	1,39,77,42,223	1,44,21,64,700

EXPORTS—						
Merchandise, Private.						
Foreign Goods.						
Bengal	43,17,090	52,45,981	32,35,587	35,17,540	34,13,645	35,21,162
Bombay	3,23,21,172	2,84,33,268	1,97,33,172	2,15,58,254	2,38,04,885	2,66,94,310
Sind	1,10,43,710	91,41,349	60,69,776	64,92,807	57,12,182	53,84,438
Madras	27,12,109	27,13,669	22,60,283	17,12,558	16,57,077	11,02,206
Burma	10,46,234	10,51,993	8,94,628	8,92,410	8,68,927	9,52,646
Total ..	5,14,40,315	4,65,86,260	3,21,93,446	3,41,73,569	3,54,56,716	3,76,54,762
Indian Produce and Manufactures—						
Bengal	86,31,75,277	64,03,53,878	55,73,11,844	63,34,08,102	62,38,14,283	66,04,45,054
Bihar and Orissa ..	35,962	4,050	....	....	....	....
Bombay	53,02,13,733	31,50,95,935	23,16,87,185	28,34,58,065	31,02,08,498	30,44,82,183
Sind	16,96,80,056	11,53,26,924	10,82,66,781	13,57,66,955	15,84,76,647	17,26,88,134
Madras	32,00,75,147	25,97,94,915	23,55,04,692	24,64,20,592	25,09,04,809	26,80,25,171
Burma	32,17,46,163	22,83,10,392	19,12,86,735	17,34,53,106	17,32,93,260	19,95,96,452
Total ..	2,20,49,26,338	1,55,88,86,094	1,32,40,57,237	1,47,25,06,820	1,51,66,97,497	1,60,52,36,994

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1930-31 *to* 1935-36—(continued).

——	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
Total Foreign and Indian Merchandise Exported, Private.—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bengal	86,74,92,367	64,55,99,859	56,05,47,431	63,69,25,642	62,72,27,928	66,39,66,216
Bihar and Orissa	35,962	4,050	....	....	....	....
Bombay	56,25,34,905	34,35,29,203	25,14,20,357	30,50,16,319	33,40,13,383	33,11,76,493
Sind	18,07,23,766	12,44,68,273	11,43,36,557	14,22,59,762	16,41,88,829	17,80,72,572
Madras	32,27,87,256	26,25,08,584	23,77,64,975	24,81,33,150	25,25,61,886	26,91,27,377
Burma	32,27,92,397	22,93,62,385	19,21,81,363	17,43,45,516	17,41,62,187	20,05,49,098
Total ..	2,25,63,66,653	1,60,54,72,354	1,35,62,50,683	1,50,66,80,389	1,55,21,54,213	1,64,28,91,756
Do. Government Stores ..	86,55,211	65,49,971	44,19,699	50,34,820	28,17,431	30,76,228
Total Merchandise ..	2,26,50,21,864	1,61,20,22,325	1,36,06,70,382	1,51,17,15,209	1,55,49,71,644	1,64,59,67,984
Treasure, Private—						
Bengal	2,497	18,86,243	1,39,18,885	83,61,638	1,85,50,737	5,77,109
Bombay	2,24,41,712	61,21,26,871	60,68,16,363	53,72,81,386	53,52,48,774	40,56,43,942
Sind	11,25,035	44,38,871	69,04,770	12,83,600	10,14,982	3,02,965
Madras	6,92,941	58,31,107	4,37,41,748	3,82,40,286	1,45,91,852	37,52,996
Burma	10,000	47,81,131	78,10,367	67,31,543	78,55,855	79,86,197
Total ..	2,42,72,185	62,90,64,223	67,91,92,133	59,18,98,453	57,72,62,200	41,82,63,209
Do. Government	1,57,36,413	3,02,21,042	2,74,23,395	6,37,65,455	5,77,83,939	3,84,24,938
Total Treasure ..	4,00,08,598	65,92,85,265	70,66,15,528	65,56,63,908	63,50,46,139	45,66,88,147
Grand Total of Exports ..	2,30,50,30,462	2,27,13,07,590	2,06,72,85,910	2,16,73,79,117	2,19,00,17,783	2,10,26,56,131

Value of the Imports of Gold and Silver Coin and Bullion into British India by Sea during the year ending 31st December 1936.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	58,31,956	....	58,31,956	12,52,30,924	....	12,52,30,924
Belgium	....	....	....	....	....	....
France	3,21,845	....	3,21,845	....	....	....
Iraq	90,739	....	90,739	2,17,746	....	2,17,746
Arabia	19,70,230	....	19,70,230	6,95,361	....	6,95,361
Aden and Dependencies	4,23,893	....	4,23,893	3,577	....	3,577
Iran	....	....	....	57,710	....	57,710
Bahrein Islands	4,80,929	....	4,80,929	3,89,367	....	3,89,367
Africa, East	39,389	....	39,389	5,04,788	3,590	5,08,378
Union of South Africa	....	....	....	....	....	....
China (Hongkong)	....	....	....	15,800	1,97,81,143	1,97,96,943
China (Other Ports)	15	....	15	6	....	6
Straits Settlements	....	....	....	8,011	....	8,011
Siam	....	....	....	20,000	....	20,000
Australia and New Zealand	....	....	....	77,33,692	....	77,33,692
Ceylon	27,27,276	....	27,27,276	78,979	....	78,979
Mauritius and Dependencies (including Seychelles)	87,972	....	87,972	63,007	....	63,007
Canada	....	....	....	4,58,790	....	4,58,790
Total	1,19,74,244	....	1,19,74,244	13,54,77,758	1,97,84,733	15,52,62,491

Value of the Exports of Gold and Silver Coin and Bullion from British India by Sea during the year ending 31st December 1936.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	17,54,09,608	....	17,54,09,608	27,64,850	....	27,64,850
Netherlands	45,72,214	....	45,72,214	....	....	....
France	54,223	....	54,223	....	....	....
Aden and Dependencies	50,529	....	50,529	28,087	....	28,087
Straits Settlements	23,051	....	23,051	....	....	....
Arabia	....	....	....	1,24,500	....	1,24,500
Bahrein Islands	....	....	....	3,90,000	....	3,90,000
Iran	....	....	....	75,650	....	75,650
Africa, East	1,72,965	....	1,72,965	....	....	....
Mauritius and Dependencies (including Seychelles)	....	....	....	....	....	....
Anglo-Egyptian Sudan	1,29,939	....	1,29,939	44,992	....	44,992
China (Excluding Hongkong) ..	6,950	....	6,950	....	....	....
Ceylon	47,520	....	47,520	231	....	231
Union of South Africa	....	....	....	2,000	....	2,000
United States of America	9,36,58,377	....	9,36,58,377	....	....	....
"For orders" Cargoes—						
United Kingdom	5,19,38,273	....	5,19,38,273	....	....	....
United States of America ..	55,35,656	....	55,35,656	....	....	....
Total ..	33,15,99,305	....	33,15,99,305	34,30,310	....	34,30,310

Total Imports of Treasure on Private Account from Foreign Countries and Indian Ports into Bombay by Sea during the year 1936. (*From* 1*st January to* 31*st December* 1936.)

From	Gold.			Silver.			
	Bullion.	Sovereigns and Half Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom—							
London, Liverpool, etc. ..	1,65,463	39,46,301	....	10,71,79,345	....	4,680	381
Continent of Europe	....	3,18,740	....	....	....	....	....
America	....	....	....	4,58,790	....	....	....
Australia	....	....	....	68,45,738	....	....	....
Aden	1,00,623	3,23,269	....	407	....	3,170	....
Hongkong	....	....	....	....	....	15,800	....
Iran	....	....	....	690	....	....	....
Iraq	20,912	57,948	1,177	12,340	....	1,67,805	....
Arabian and Red Sea Ports ..	8,59,117	14,90,279	73,899	35,057	2,139	7,08,810	64,957
African Ports	39,289	....	....	4,924	....	5,60,560	320
Colombo	1,10,206	....	....	....	....	....	....
Bangkok	....	....	....	....	....	20,000	....
Mauritius	75,120	3,630	....	....	....	....	....
All Indian Ports	....	21,425	....	2,16,371	6,000	48,773	1,63,008
Total ..	13,70,730	61,61,592	75,076	11,47,53,662	8,139	15,29,598	2,28,666

Total Exports of Treasure on Private Account to Foreign Countries and Indian Ports from Bombay by Sea during the year 1936. (*From* 1*st January to* 31*st December* 1936.)

To	Gold.			Silver.			
	Bullion.	Sovereigns and Half-Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
London,-Liverpool, Plymouth, etc.	12,65,81,906	3,58,444	....	....	....	....	2,481
London, New York, Montreal, Paris or Amsterdam	16,72,46,230	65,081	....	....	....	....	....
New York	3,49,31,272	....	....	....	....	....	....
Egypt	1,29,962	....	....	44,992	....	....	....
Aden	....	50,527	....	....	28,087	....	....
Hongkong	....	....	6,950	....	....	....	....
Straits Settlement	....	23,051	....	....	....	....	....
African Ports	1,18,511	54,447	....	....	....	2,000	....
Arabia Red Sea Port	....	....	....	....	....	3,94,000	....
All Indian Ports	....	....	....	5,81,840	....	....	....
Total	32,90,07,881	5,51,520	6,950	6,26,832	28,087	3,96,000	2,481

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar years 1892 to 1936.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1892	954,243	53,275	3,805,823	1,758,459	1,227,560	9,374,762	620,133
1893	857,771	49,538	4,319,264	4,275,862	1,510,317	5,043,690	563,053
1894	797,070	54,678	5,389,941	3,306,108	1,126,418	1,561,048	1,076,482
1895	624,465	61,586	2,639,749	1,829,827	1,379,335	2,522,933	775,582
1896	772,258	58,520	3,214,613	1,495,463	1,186,842	1,429,572	839,314
1897	511,899	51,710	775,838	1,874,663	831,398	5,343	555,081
1898	490,544	51,653	2,729,122	2,287,393	1,847,449	5,781,881	635,732
1899	500,232	53,272	2,136,142	1,967,680	1,613,679	2,852,863	752,343
1900	232,425	40,611	811,128	1,050,052	1,613,135	608	878,740
1901	560,434	33,091	1,754,701	2,586,544	1,704,817	38,619	728,055
1902	577,929	39,793	2,017,704	2,742,283	1,881,426	211,397	1,079,241
1903	958,199	49,332	2,957,635	2,614,181	3,063,821	2,783,625	748,137
1904	926,295	58,319	3,808,789	2,182,881	2,266,118	5,302,304	958,886
1905	667,323	63,666	3,485,956	728,041	1,420,503	4,205,315	621,298
1906	989,693	59,101	1,889,089	829,438	1,578,931	485,747	779,584
1907	1,126,376	54,390	2,333,472	2,026,544	2,235,206	552,660	848,293
1908	659,822	47,344	1,046,806	802,923	1,018,619	12,740	1,304,388
1909	672,247	69,121	1,843,403	1,273,005	1,620,631	2,177,644	76,757
1910	1,153,233	68,059	2,546,238	2,137,828	2,864,185	1,673,016	917,208
1911	776,417	62,721	4,905,089	1,383,053	2,016,231	3,326,327	662,892
1912	436,208	64,072	3,579,356	1,069,916	1,012,554	3,805,556	652,080
1913	736,262	63,244	3,713,812	1,042,510	1,695,000	4,997,989	549,483
1914	1,113,016	54,555	2,622,097	678,060	1,280,036	109,323	755,687

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar Years 1892 to 1936—continued.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1915	403,322	82,456	1,603,837	543,494	150,068	1,593,092	601,144
1916	293,876	77,109	5,410,560	451,732	1,130,405	545,656	422,965
1917	358,378	84,151	2,630,619	321,811	639,091	4,636,634	408,692
1918	190,529	109,850	2,474,109	73,181	3,552	1,487,714	300,061
1919	337,043	63,938	2,689,540	396,514	331,022	126,416	538,022
1920	649,736	42,920	1,511,233	729,716	678,059	....	346,812
1921	503,215	36,931	524,442	165,908	264,842	....	419,329
1922	628,674	75,326	2,307,369	464,045	610,412	1,060	525,031
1923	980,710	51,734	3,043,144	786,356	156,675	419,046	389,198
Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to all Foreign Countries during the Years 1924 to 1936.							
1924	2,520,053	75,992	2,990,141	881,200	468,157	547,085	888,994
1925	2,820,629	66,329	3,524,849	531,136	812,900	1,187,532	605,257
1926	2,257,802	46,347	1,585,096	77,894	72,752	138,592	719,078
1927	2,052,225	57,996	1,641,559	52,861	89,010	32,880	883,259
1928	2,563,221	71,769	1,828,077	189,435	471,740	68,162	641,162
1929	2,678,328	83,264	1,576,531	39,838	415,725	47,553	729,169
1930 .. .. †	2,755,604	41,532	2,110,422	13,354	19,708	32,857	732,974
1931	2,194,682	49,201	926,552	18,155	83,802	71,035	644,706
1932	924,302	33,474	491,481	39,023	248,126	26,236	592,374
1933	1,545,511	57,388	3,298,611	49,677	305,965	25,937	709,041
1934	1,713,319	41,329	3,229,879	69,178*	143,941	24,865	617,732
1935	1,633,888	48,036	1,222,517	43,854*	11,230	30,088	702,840
1936	2,153,096	34,789	3,329,916	52,145*	85,023	46,884	655,634

* Inclusive of Mustard Seed. † Includes Cotton exported to Calcutta and Coast Ports.

STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Cotton Piecegoods and Yarns since 1908.

Year ending 31st Dec.	Grey and White Piecegoods.			Coloured Piecegoods.		Total Piecegoods.			Yarns.	
	Packages.	Yards.	Lbs.	Packages.	Yards.	Packages.	Yards.	Lbs.*	Bales.	Lbs.
1908	120,300	215,698,687	60,862,003	30,997	50,792,342	151,297	266,491,029	66,622,757	598,621	234,484,640
1909	141,920	252,992,500	70,093,139	39,326	66,751,717	181,246	319,744,217	79,936,054	636,329	252,460,745
1910	136,972	250,489,940	68,312,314	45,333	75,673,845	182,305	326,163,785	81,540,946	565,999	223,758,970
1911	122,601	224,438,698	63,524,949	54,000	89,411,376	176,601	313,850,075	78,462,518	403,214	158,582,640
1912	126,681	231,976,527	66,009,051	64,169	107,289,928	190,850	339,266,455	84,816,614	579,281	228,759,617
1913	97,005	177,239,570	50,527,978	55,071	92,467,657	152,076	269,707,227	67,426,807	518,230	205,207,962
1914	91,837	169,515,937	49,361,518	42,084	72,602,270	133,921	242,118,207	60,529,552	437,159	173,172,953
1915	108,956	159,968,079	58,350,926	61,045	103,038,333	170,001	303,006,412	75,751,603	471,395	186,585,698
1916	175,923	248,326,445	70,956,464	82,818	139,616,532	258,741	387,942,977	96,985,744	410,972	162,627,300
1917	111,845	176,934,869	46,119,953	86,909	148,290,803	198,754	325,225,672	81,306,418	373,187	147,167,250
1918	94,071	153,463,774	40,025,958	71,424	126,063,308	165,495	279,527,082	69,881,770	193,275	75,599,059
1919	132,112	219,343,388	56,536,165	116,313	202,286,577	248,425	421,629,965	105,407,491	372,212	146,832,081
1920	149,552	241,230,910	61,482,863	157,042	120,332,112	306,594	361,563,022	90,390,755	288,778	113,351,962
1921	120,739	212,563,435	53,577,720	99,518	159,572,347	220,257	372,135,782	93,033,945	314,330	124,310,163
1922	138,769	254,292,354	65,928,239	100,581	176,411,422	239,350	430,703,776	107,675,944	267,711	105,122,885
1923	173,381	304,497,408	69,452,982	110,243	180,990,710	283,624	485,488,118	121,372,029	215,036	83,657,151
1924	177,950	320,087,971	75,657,413	103,999	169,055,231	281,949	489,143,202	122,285,800	175,175	67,861,329
1925	133,458	233,217,232	55,688,235	96,447	158,069,128	229,905	391,286,360	97,821,590	176,210	67,892,155
1926	119,331	210,752,239	50,243,116	112,795	180,075,412	232,126	390,827,651	97,706,912	175,869	67,786,883
1927	130,963	229,773,883	55,215,566	118,474	196,438,974	249,437	426,212,857	106,553,214	156,999	60,555,498
1928	100,699	177,282,508	34,777,044	97,936	157,677,505	198,635	334,960,013	83,740,003	102,954	40,816,700
1929	106 748	193,179,168	38,635,833	82,351	147,586,666	189,099	340,765,834	85,191,458	125,577	54,361,428
1930	136,281	241,220,836	48,964,399	75,555	122,465,715	211,836	363,686,551	90,921,637	126,006	50,490,540
1931	192,578	342,654,885	68,686,328	80,346	127,129,785	272,924	469,784,670	117,446,167	142,236	65,666,253
1932	294,483	794,303,908	106,795,020	72,177	108,236,606	366,660	902,540,514	225,635,128	122,156	46,294,310
1933	209,259	390,535,659	78,065,873	58,052	87,899,698	267,311	478,435,357	119,608,839	112,059	43,557,629
1934	229,024	414,324,303	86,762,142	65,728	94,046,841	294,752	508,371,144	127,092,786	94,853	37,126,195
1935	216,300	383,877,416	76,775,483	55,416	81,771,947	271,716	465,649,363	116,412,340	88,088	34,626,637
1936	243,834	442,916,172	88,583,234	58,167	84,883,124	302,001	527,799,296	131,949,824	80,995	31,337,340

* The weights have been arrived at by dividing the length in yards by 4.00, the average weight of the Grey and Bleached Cloths.

Exports of Indian Manufactured Cotton Yarns by Sea and Rail from Bombay (Converted into Bales of 400 lbs. each) since 1897.

1st January to 31st December.	To China.	To Japan.	Total to China and Japan.	Total to other Ports.	Total Exports by Sea.	Total Exports by Rail.*	Total Exports by Sea and Rail.
1897	361,221	645	361,866	91,095	452,961	5,822	458,783
1898	437,645	475	438,120	108,691	546,811	7,100	553,911
1899	579,619	250	579,869	94,029	673,898	4,408	678,306
1900	253,331	100	253,431	87,998	341,429	5,480	346,909
1901	536,195	....	536,195	99,599	635,794	6,670	642,464
1902	555,487	....	555,487	111,259	666,746	7,427	674,173
1903	604,044	....	604,044	113,256	717,300	8,348	725,648
1904	460,316	3	460,319	113,381	573,700	9,789	583,489
1905	651,870	....	651,870	91,603	743,473	8,099	751,572
1906	596,926	500	597,426	99,628	697,054	15,417	712,471
1907	412,127	200	412,327	190,387	602.714	19,218	621,932
1908	441,899	....	441,899	144,312	586,211	18,334	604,545
1909	510,746	....	510,746	120,406	631,152	19,302	650,454
1910	424,893	....	424,893	130,506	555,399	19,103	574,502
1911	275,087	....	275,087	121,369	396,456	18,927	415,383
1912	433,989	....	433,989	137,910	571,899	13,400	585,299
1913	405,359	....	405,359	107,661	513,020	15,011	528,031
1914	324,586	....	324,586	108,346	432,932	30,957	463,889

1915	358,777	....	358,777	107,687	466,464	44,192	510,656
1916	303,692	....	303,692	102,876	406,568	37,846	444,414
1917	286,365	107	286,472	81,446	367,918	48,203	416,121
1918	108,568	....	108,568	80,429	188,997	87,115	276,112
1919	270,058	389	270,447	96,633	367,080	47,980	415,060
1920	175,688	....	175,688	107,692	283,380	119,436	402,816
1921	152,911	10	152,921	157,854	310,775	153,575	464,350
1922	118,970	....	118,970	143,837	262,807	167,543	430,350
1923	58,241	....	58,241	150,901	209,142	166,491	375,633
1924	31,161	....	31,161	138,493	169,654	123,461	293,115
1925	28,623	10	28,633	141,097	169,730	143,174	312,904
1926	44,152	36	44,188	125,279	169,467	†	....
1927	2,753	67	2,820	148,568	151,388	†	....
1928	3,660	....	3,660	98,381	102,041	†	....
1929	3,169	....	3,169	132,734	135,903	†	....
1930	1,831	....	1,831	124,395	126,226	†	....
1931	213	....	213	142,023	142,236	†	....
1932	....	....	....	115,736	115,736	†	....
1933	....	....	....	108,894	108,894	†	....
1934	....	....	....	92,812	92,812	†	....
1935	....	....	....	86,567	86,567	†	....
1936	....	....	....	78,343	78,343	†	....

* Compiled from Returns received from the Railway Companies.

† Figures not available.

Foreign Countries to which Cotton Grey Piecegoods of Indian manufacture have been exported from Bombay by Sea since 1931-32.
(*Year ending* 31*st March.*)

To	In lakhs of yards (000's omitted).				
	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
United Kingdom	.01	1.22	.09	.03	1.13
Aden and Dependencies ..	9.80	1.70	2.45	4.22	4.93
Bahrein Islands	.05	.01	.06	.34	.03
Ceylon	.62	1.29	.31	4.35	2.92
Straits Settlements including Labuan	.13	1.38	.66	1.89	5.86
Federated Malay States ..	..	..	..	.64	.12
Cyprus	.35	..	..	3.08	9.91
Natal	.31	.02	..	..	..
Zanzibar and Pemba.. ..	4.13	2.55	2.67	1.18	.29
Kenya Colony	10.44	5.25	4.08	3.26	2.39
Nigeria	..	..	..	.62	1.68
Tanganyika Territory ..	20.77	6.05	5.00	4.61	5.20
Somaliland Protectorate ..	..	..	..	.11	.59
Anglo-Egyptian Sudan ..	2.35	1.14	1.44	1.64	1.01
Mauritius and Dependencies. .	.55	1.18	.49	12.36	23.56
Seychelles	.27	.33	.38	.86	.36
Commonwealth of Australia.	..	.59	.42	.39	.03
Other British Possessions ..	.53	..	.07	.42	1.14
Muscat Territory and Trucial Oman	.84	.16	.23	.35	.62
Other Native States in Arabia.	1.85	.21	.76	.55	.44
Iraq	..	1.11	1.30	.67	.52
Persia	2.62	.27	1.30	.33	.75
Siam	.12	.01	1.27	.01	.01
Egypt	4.05	..	..	..	3.01
Portuguese East Africa ..	19.00	16.92	13.32	16.89	20.84
Italian East Africa ..	.07	.38	.45	.17	.13
French Somaliland	4.25	3.12	3.05	2.47	.12
Other Foreign Countries ..	.07	.02	..	..	.01
Total Grey Piecegoods ..	83.18	44.91	39.80	61.44	87.60
Value in lakhs of Rupees..	22.22	11.99	10.24	13.93	17.84

Foreign Countries to which Indian Cotton Yarn have been exported from Bombay by Sea since 1931-32.
(*Year ending* 31*st March.*)

To	In lakhs of lbs. (000's omitted.)				
	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
United Kingdom	1.51	1.98	4.40	2.36	1.82
Malta and Gozo	.08	.11	.35	.11	.20
Cyprus	2.34	1.23	2.17	2.37	2.55
Aden and Dependencies ..	22.41	20.75	21.39	14.74	15.19
Bahrein Islands	1.21	.89	1.33	1.16	1.34
Palestine	3.07	3.60	3.68	3.76	3.88
Ceylon	.18	.06	.09	.29	.11
Straits Settlements including Labuan	7.28	4.65	6.69	6.98	12.68
Hongkong	1.30	..	..	..	..
Tanganyika Territory ..	.16	.20	.21	.23	.33
Anglo-Egyptian Sudan ..	..	..	.02	.22	.18
Zanzibar and Pemba. . ..	.44	.36	.55	.55	.56
Kenya Colony	.82	.86	1.20	.89	1.21
Natal	2.34	..	..	..	..
Australasia	.06	..	..	.18	..
Other British Possessions ..	.02	.08	.09	.11	.09
Belgium	..	..	..	..	.24
Germany	..	..	.61	.93	..
Italy	..	..	.08	.10	.12
Greece	.28	.77	.51	.71	1.55
Georgia	.47	.18	..	..	.14
Serhcroat Slovene State ..	..	..	..	..	.26
Bulgaria	5.56	2.86	3.26	1.36	.10
Rumania	..	..	..	.C2	1.73
Tripoli	.63	.48	.30	29	..
Egypt	21.95	3.29	1.72	.29	3.04
Syria	21.40	22.83	28.04	34.07	24.46
Smyrna	.10	..	..	..	.95
Turkey, European	.32	.23	..	.12	..
Turkey, Asiatic	.56	..	2.00	5.35	..
Muscat Territory and Trucial Oman	1.74	1.35	1.36	1.13	1.39
Other Native States in Arabia.	2.07	2.46	1.71	1.17	..
Iraq	17.02	10.99	8.60	7.40	8.48
Persia	65.30	36.53	43.49	15.36	.08
Siam	10.54	7.56	8.29	6.57	5.31
Celebes and other Islands ..	..	..	.01	..	..
Philippine Islands and Guano.	..	..	..	.02	..
China excluding Hongkong ..	.06	..	..	1.02	..
Japan	..	..	..	..	..
Morocco	..	..	..	..	.18
Portuguese East Africa ..	.94	.33	.01	..	..
Italian East Africa	.59	.33	.48	.53	.64
French Somaliland	19.76	18.21	15.06	9.41	2.80
Other Foreign Countries ..	.09	.06	.09	.02	..
Total Yarns ..	212.60	143.23	157.25	120.13	91.61
Value in lakhs of Rupees ..	124.24	74.88	78.55	58.80	44.21

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and from and to Foreign Countries at Ports in British

ENTER

YEAR.	With Cargoes.						In	
	Sailing.		Steam.		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1924–1925 ..	635	64,215	2,395	6,924,434	3,030	6,988,649	365	33,645
1925–1926 ..	640	61,953	2,411	7,041,419	3,051	7,103,372	357	32,931
1926–1927 ..	518	51,249	2,365	6,930,836	2,883	6,982,085	397	39,415
1927–1928 ..	564	51,794	2,571	7,598,539	3,135	7,650,333	405	38,459
1928–1929 ..	491	43,303	2,718	8,187,016	3,209	8,230,319	420	39,941
1929–1930 ..	538	47,775	2,721	8,327,048	3,259	8,374,823	293	28,862
1930–1931 ..	492	41,665	2,538	7,858,281	3,030	7,899,946	338	33,838
1931–1932 ..	522	42,853	2,328	7,337,802	2,850	7,380,655	313	30,232
1932–1933 ..	509	40,005	2,124	6,909,371	2,633	6,949,376	314	30,683
1933–1934 ..	415	33,108	2,219	7,320,543	2,634	7,353,651	354	28,543
1934–1935 ..	483	38,433	2,399	7,901,184	2,882	7,939,617	453	38,890
1935–1936 ..	457	38,112	2,456	8,264,163	2,913	8,302,275	†	†

CLEAR

1924–1925 ..	885	92,947	2,913	8,497,229	3,803	8,590,176	148	7,552
1925–1926 ..	858	87,319	2,727	8,093,319	3,585	8,180,638	65	5,223
1926–1927 ..	871	89,181	2,630	7,800,807	3,501	7,889,988	32	2,901
1927–1928 ..	992	96,946	2,667	7,828,456	3,659	7,925,402	24	2,590
1928–1929 ..	963	91,108	2,804	8,358,972	3,767	8,458,706	30	3,510
1929–1930 ..	873	82,070	2,888	8,776,368	3,762	8,860,735	23	1,462
1930–1931 ..	920	86,604	2,523	7,823,154	3,445	7,915,668	53	3,686
1931–1932 ..	843	76,101	2,338	7,481,175	3,182	7,560,284	47	4,381
1932–1933 ..	858	76,109	2,216	7,206,561	3,074	7,282,670	48	3,987
1933–1934 ..	800	69,207	2,334	7,647,628	3,134	7,716,835	48	2,598
1934–1935 ..	964	77,717	2,497	8,149,328	3,461	8,227,045	29	2,313
1935–1936 ..	891	77,495	2,477	8,170,125	3,368	8,247,620	†	†

† Details not

FOREIGN TRADE.

Steam, which Entered and Cleared with Cargoes and in Ballast, India in each Official Year from 1924-25 to 1935-36.

ED.

Ballast.				Total.				Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Ton
537	1,591,293	902	1,624,938	1,000	97,860	2,932	8,515,727	3,932	8,613,587
375	1,165,692	732	1,198,623	997	94,884	2,786	8,207,111	3,783	8,301,995
402	1,323,166	799	1,362,581	915	90,664	2,767	8,254,002	3,682	8,344,666
378	1,188,018	783	1,226,507	969	90,253	2,949	8,786,587	3,918	8,876,840
414	1,238,427	837	1,286,994	911	83,244	3,132	9,425,423	4,046	9,517,313
420	1,244,004	713	1,272,866	831	76,637	3,141	9,571,052	3,972	9,647,689
398	1,071,846	676	1,105,684	830	75,503	2,876	8,930,127	3,706	9,005,630
291	956,718	608	963,405	835	78,085	2,619	8,294,520	3,241	7,903,382
294	922,723	604	986,345	823	70,688	2,418	7,832,694	3,455	8,370,583
327	1,081,793	681	1,110,336	769	61,651	2,546	8,402,336	3,315	8,463,987
285	930,507	738	969,397	936	77,323	2,684	8,821,751	3,620	8,899,074
†	†	655	975,725	†	†	†	†	3,568	9,278,000

ED.

139	444,757	287	452,309	1,033	100,499	3,057	8,941,986	4,090	9,042,485
190	647,728	255	652,951	923	92,542	2,917	8,741,047	3,840	8,833,589
223	800,736	255	803,637	903	92,082	2,853	8,601,543	3,756	8,693,625
233	773,760	257	776,350	1,016	99,536	2,900	8,602,216	3,916	8,701,752
277	892,628	307	896,138	993	94,618	3,078	9,251,600	4,071	9,354,844
248	876,507	271	877,969	896	83,532	3,136	9,652,875	4,033	9,738,704
255	871,331	308	875,017	973	90,290	2,778	8,694,486	3,759	8,790,685
173	623,075	220	627,456	890	80,482	2,511	8,104,250	3,402	8,187,710
152	518,093	200	522,080	906	80,096	2,368	7,724,654	3,274	7,804,750
120	446,313	168	448,911	848	71,805	2,454	8,093,941	3,302	8,165,746
150	487,589	179	489,852	993	80,030	2,647	8,636,867	3,640	8,716,897
†	†	268	793,380	†	†	†	†	3,631	9,041,000

available.

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and Steam, Foreign Countries at the Chief Port of the Bombay

ENTER

Year.	With Cargoes.						In	
	Sailing.		Steam.		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1924–1925 ..	150	19,098	584	2,224,340	734	2,243,438	4	937
1925–1926 ..	143	17,724	616	2,330,516	759	2,348,240	1	88
1926–1927 ..	110	14,547	548	2,115,885	658	2,130,432	3	631
1927–1928 ..	140	15,411	640	2,465,823	780	2,481,234	..	..
1928–1929 ..	151	15,519	615	2,500,473	738	2,513,854	..	..
1929–1930 ..	120	12,527	645	2,728,985	765	2,741,512	..	..
1930–1931 ..	105	10,134	601	2,578,353	706	2,588,487	..	..
1931–1932 ..	96	10,303	539	2,530,376	635	2,540,679	..	..
1932–1933 ..	102	10,587	565	2,916,674	667	2,927,261	..	..
1933–1934 ..	94	9,679	573	3,051,270	667	3,060,949	1	124
1934–1935 ..	93	10,030	572	3,035,688	665	3,045,718	..	..
1935–1936 ..	79	8,905	591	3,058,539	670	3,067,444	1	75

CLEAR

1924–1925 ..	79	8,848	402	1,563,419	481	1,572,267	4	843
1925–1926 ..	115	13,244	419	1,662,530	534	1,675,774	4	564
1926–1927 ..	87	9,785	347	1,438,438	434	1,448,216	7	1,162
1927–1928 ..	101	11,383	422	1,688,802	523	1,700,185	..	..
1928–1929 ..	81	8,009	449	1,956,501	529	1,964,528	1	250
1929–1930 ..	84	8,185	474	2,086,533	558	2,094,718	1	56
1930–1931 ..	77	7,561	433	1,983,856	510	1,991,417	3	323
1931–1932 ..	69	6,552	429	2,183,882	498	2,190,434	1	56
1932–1933 ..	81	7,858	470	2,627,271	551	2,635,129	3	277
1933–1934 ..	94	9,751	478	2,684,730	572	2,694,481	7	558
1934–1935 ..	87	9,038	464	2,703,615	551	2,712,653	1	49
1935–1936 ..	101	9,837	444	2,566,995	545	2,576,832	..	..

FOREIGN TRADE.

which Entered and Cleared with Cargoes and in Ballast, from and to Presidency in each Official Year from 1924-25 to 1935-36.

ED.

Ballast.				Total.				Grand Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons.
49	146,965	53	147,902	154	20,035	633	2,371,395	787	2,391,340
36	103,893	37	103,981	144	17,812	652	2,434,409	796	2,452,221
33	124,024	36	124,655	113	15,178	581	2,239,909	694	2,255,087
38	117,289	38	117,289	140	15,411	678	2,583,112	818	2,598,523
45	171,240	45	171,240	151	15,519	660	2,671,713	783	2,685,024
30	97,629	30	97,629	120	12,527	675	2,826,614	795	2,839,141
29	135,797	29	135,797	105	10,134	630	2,714,150	735	2,724 284
23	106,963	23	106,963	96	10,303	562	2,637,339	658	2,647,642
18	60,723	18	60,723	102	10,587	583	2,977,397	685	2,987,984
44	143,214	45	143,338	95	9,803	617	3,194,484	712	3,204,287
24	76,943	24	76,943	93	10,030	596	3,112,631	689	3,122,661
24	88,476	25	88,551	80	8,980	615	3,147,015	695	3,155,995

ED.

49	166,899	53	167,742	83	9,691	451	1,730,316	534	1,740,009
70	272,770	74	273,334	119	13,808	489	1,935,300	608	1,949,108
84	333,836	91	334,998	94	10,947	431	1,772,267	525	1,783,214
61	240,467	61	240,462	101	11,383	483	1,929,269	584	1,940,652
70	253,734	71	253,984	82	8,349	519	2,210,235	600	2,218,512
72	277,934	73	277,990	85	8,241	546	2,364,467	631	2,372,808
65	244,762	68	248,085	80	7,884	498	2,231,618	578	2,239,502
54	215,836	55	215,892	70	6,608	483	2,399,718	553	2,406,326
60	222,535	63	222,812	84	8,135	530	2,849,806	614	2,857,941
47	199,275	54	199,833	101	10,309	525	2,884,005	626	2,894,314
41	125,192	42	125,241	88	9,087	505	2,828,807	593	2,837,894
78	320,199	78	320,199	101	9,837	522	2,887,194	623	2,897,031

Current Quotations as estimated by the Committee of the Bombay Cha

QUOTATIONS.	Week ending 3rd July 1936.	Week ending 10th July 1936.	Week ending 17th July 1936.	Week ending 24th July 1936.	Week ending 31st July 1936.	Week ending 7th Aug. 1936.	Week ending 14th Aug. 1936.	Week ending 21st Aug. 1936.	Week ending 28th Aug. 1936.	Week ending 4th Sept. 1936.	Week ending 10th Sept. 1936.	Week ending 18th Sept. 1936.	Week ending 25th Sept. 1936.
EXCHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
On England Bank Bills — Telegraphic Transfer	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/16d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.
On England Bank Bills — Sight	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/16d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.
On England Bank Bills — 3 Months'	....	....	....	....	....	....	....	....	....	....	....	....	....
On England Bank Bills — 4 "	....	....	....	....	....	....	....	....	....	....	....	....	....
On England Bank Bills — 6 "	....	....	....	....	....	....	....	....	....	....	....	....	....
First Class Credits.. — 3 Months' Sight	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/32d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.
First Class Credits.. — 4 "	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.
First Class Credits.. — 6 "	1s. 6¼d.	1s. 6¼d.	1s. 6¼d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.
French Francs, D/A. .. .. .. Sight	583	581	583	584	586	588	589	588	587	587	599	598	610
" " " .. 3 Months' "	594	592	595	596	598	600	601	600	599	599	612	610	625
On Calcutta Bank Telegraphic Transfer	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Mercantile Bills 60 days' Sight, (Japan per 100 Yen)..	76 14 0	77 0 0	76 12 0	76 12 0	76 12 0	76 14 0	76 14 0	76 14 0	76 14 0	77 0 0	77 0 0	77 0 0	76 12 0
English Bar Gold (100 Touch per tola)	34 5 3	34 5 3	34 4 6	34 4 9	34 5 0	34 4 0	34 4 0	34 3 6	34 3 9	34 2 9	34 0 6	34 0 9	34 1 3
Sovereigns	22 3 9	22 3 9	22 2 3	22 1 6	22 0 6	22 0 3	21 14 9	21 13 9	21 13 9	21 13 6	21 12 0	21 11 0	21 11 0
Bar Silver .. .. .. Ready	48 7 0	49 3 0	48 15 0	48 13 0	48 9 0	48 15 0	48 10 0	47 11 0	48 10 0	48 14 0	48 9 0	48 7 0	48 7 0
Bar Silver .. .. .. Forward	48 9 0	49 4 0	49 0 0	49 0 0	48 10 0	49 0 0	48 11 0	47 12 0	48 11 0	48 15 0	48 10 0	48 8 6	48 8 0
RATES OF DISCOUNT.													
Bank Rate of Discount on Private Bills, 60 days' Sight	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
Bank Rate of Interest on Demand Loans, on Government Securities	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Rate of Interest in the Open Market on Government Paper	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Money Market	Quiet.	Quiet.	Quiet.	Quiet.	Very Quiet.	Quiet.	Quiet.	Very Quiet.	Quiet.	Quiet.	Easy.	Quiet.	Easy.
GOVERNMENT SECURITIES.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Three and a half per cent.	99 4 0	99 9 0	100 1 0	100 2 0	99 12 0	99 11 0	99 9 0	99 10 0	99 9 0	99 12 0	99 10 0	99 11 0	99 12 0
Three per cent.	....	....	....	....	....	....	....	....	....	....	....	....	....
Four per cent., 1960/70	115 7 0	115 6 0	115 5 0	115 5 0	114 14 0	114 13 0	114 14 0	115 0 0	115 2 0	115 8 0	115 8 0	115 7 0	115 8 0
Five per cent., Tax Free, 1945/55	120 12 0	120 14 0	121 2 0	121 2 0	120 14 0	121 13 0	120 12 0	120 13 0	120 12 0	121 2 0	121 1 0	120 15 0	121 2 0
Memo of Government Paper enfaced for London ..	4,000 0 0	....	....	2,000 0 0	....	....	....	....	....	....	4,900 0 0	....	....
Government Paper enfaced from London for Bombay	9,700 0 0	1,00,000 0 0	17,900 0 0	33,000 0 0	300 0 0	4,000 0 0	636,000 0 0	....	....	29,500 0 0	....	17,800	....
IMPORTS.													
Piecegoods Market	Steady, very little enquiry.	Steady with little enquiry.	Strong with some enquiry.	Steady with little enquiry.	Dull, little enquiry.	Steady with little enquiry.	Dull, no enquiry.	Dull, no enquiry.	Dull, no enquiry.	Steady.	Steady, little enquiry.	Dull, no enquiry.	Steady with little enquiry.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Japanese Grey Shirtings, Peach, 36" × 40 yards. (per piece)	9 9 0	9 11 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0
Japanese White Shirtings, 800, 34" × 42 yds. (per piece)	11 6 0	11 4 0	11 5 6	11 6 0	11 3 0	11 2 0	11 0 0	10 15 0	10 15 0	10 15 0	10 15 0	10 15 6	11 0 0
Japanese Grey Yarn, Fine Stars 2/42s (per lb.) ..	0 11 5	0 11 5	0 11 6	0 11 7	0 11 6	0 11 6	0 11 5	0 11 6	0 11 6	0 11 6	0 11 6	0 11 7	0 11 9
Copper Braziers in bundles .. .. (per cwt.)	39 12 0	39 14 0	39 14 0	40 0 0	40 4 0	40 4 0	40 8 0	40 8 0	40 8 0	40 8 0	40 8 0	48 8 0	40 8 0
Yellow Metal " " .. .. .. (")	32 8 0	32 8 0	32 8 0	32 10 0	32 10 0	32 10 0	32 14 0	32 14 0	32 12 0	32 12 0	32 12 0	33 0 0	33 0 0
Continental Basic Steel Bars .. .. (")	5 12 0	5 12 0	5 12 0 to 5 13 0 Nom.	5 12 0 to 5 13 0 Nom.	5 13 0 Nom.	5 14 0	5 14 0	5 14 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0
" **Nail Rods** .. .. .. (")	5 12 0	5 12 0	5 12 0 to 5 13 0 Nom.	5 12 0 to 5 13 0 Nom.	5 13 0 Nom.	5 14 0	5 14 0	5 14 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0
Galvanized Corrugated Sheets .. .. (")	9 2 0	9 1 0	9 0 0	9 0 0	9 0 0 Nom.	8 15 0 to 9 0 0	9 1 0	9 1 0	9 1 0	9 1 0	9 2 0	9 2 0	9 2 0
Sugar — Ordinary Crystals Beet (per cwt. ex-godown).	14 0 0	14 0 0	14 0 0	13 14 0	13 13 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0
Sugar — Java White Granulated "	13 6 0	13 7 0	13 7 0	13 6 0	13 6 0	13 8 6	13 9 0	13 9 0	13 9 0	13 9 0	13 7 0	13 7 0	13 7 0
Sugar — T. M. O. Quality "	13 3 0	13 3 0	13 3 0	13 2 0	13 2 0	13 2 0	13 2 0	13 4 0	13 4 0	13 4 0	13 2 0	13 2 0	13 2 0
Sugar — African .. .. (")	12 3 0 to 13 0 0	12 2 0 to 13 0 0	12 2 0 to 13 0 0	12 0 0 to 13 0 0	12 0 0 to 13 0 0	12 0 0 to 13 0 0	12 0 0 to 13 0 0	12 4 0 to 13 2 0	12 4 0 to 13 0 0	12 4 0 to 13 0 0	12 0 0 to 13 0 0	12 0 0 to 13 0 0	12 0 0 to 13 0 0
Sugar — Indian .. .. (")													
COAL.													
Indian Coal, F.O.R.—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bengal Coal—													
Deshargarh (Selected Grade) F.O.R. (per ton)	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0
Jheria (") "	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0
Jheria (Grade I) F.O.R. .. .. (")	2 12 0	2 14 0	2 14 0	2 12 0	2 14 0	2 12 0	2 12 0	2 12 0	2 14 0	2 14 0	2 12 0	2 12 0	2 12 0
Central Provinces (1st class) F.O.R. (")	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	5 0 0	4 14 0	4 14 0	4 14 0
Foreign Coal, (C.I.F.)—	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Best Welsh all large .. .. (per ton)	....	....	....	....	....	....	....	....	....	....	....	....	....
" " ¾ large and ¼ small .. (")	....	....	....	....	....	....	....	....	....	....	....	....	....
" Natal (African) .. .. (")	....	....	....	....	....	....	....	....	....	....	....	....	....
EXPORTS.													
Cotton Exports—													
(Fully pressed, per candy of 784 lbs.)													
Cotton Market	Weak.	Firm.	Weak.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.	Steady.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
G. Bengals (Railway terms) .. .. F. G.	191 0 0 Spot.	196 0 0 Spot.	198 0 0 Spot.	189 0 0 Spot.	190 0 0 Spot.	190 0 0 Spot.	....	....	....	....	....	....	....
" " (") .. .. F. G.	188 0 0 July 1936.	192 0 0 July 1936.	194 0 0 July 1936.	187 0 0 July 1936.	....	....	159 0 0 Dec.-Jan. 1937.	156 12 0 Dec.-Jan. 1937.	157 0 0 Dec.-Jan. 1937.	153 0 0 Dec.-Jan. 1937.	158 0 0 Dec.-Jan. 1937.	155 0 0 Dec.-Jan. 1937.	151 0 0 Dec.-Jan. 1937.
" " (") .. .. F. G.	167 0 0 Dec.-Jan. 1936-37.	164 0 0 Dec.-Jan. 1937.	162 0 0 Dec.-Jan. 1937.	157 0 0 Dec.-Jan. 1937.	159 0 0 Dec.-Jan. 1937.	160 0 0 Dec.-Jan. 1937.	....	....	....	....	....	....	....
Oomras (Fair Staple) .. .. .. Fine.	211 0 0 Spot.	220 0 0 Spot.	214 0 0 Spot.	207 0 0 Spot.	206 0 0 Spot.	205 0 0 Spot.	....	....	....	....	....	....	....
" (") .. .. Fine.	206 0 0 July 1936.	215 0 0 July 1936.	209 0 0 July 1936.	202 0 0 July 1936.	....	....	....	....	....	....	....	....	....
" (") .. .. Fine.	194 0 0 Dec.-Jan. 1937.	207 0 0 Dec.-Jan. 1937.	202 0 0 Dec.-Jan. 1937.	196 0 0 Dec.-Jan. 1937.	197 0 0 Dec.-Jan. 1937.	196 0 0 Dec.-Jan. 1937.	190 0 0 Dec.-Jan. 1937.	190 0 0 Dec.-Jan. 1937.	191 0 0 Dec.-Jan. 1937.	189 0 0 Dec.-Jan. 1937.	196 0 0 Dec.-Jan. 1937.	197 0 0 Dec.-Jan. 1937.	190 0 0 Dec.-Jan. 1937.
" " (") .. .. F. G.	....	....	....	....	....	....	....	....	....	....	....	....	....
Broach .. .. Fine.	....	....	....	....	....	....	....	....	....	....	....	....	....

	Week ending 25th Sept. 1936.	Week ending 2nd Oct. 1936.	Week ending 9th Oct. 1936.	Week ending 16th Oct. 1936.	Week ending 23rd Oct. 1936.	Week ending 30th Oct. 1936.	Week ending 6th Nov. 1936.	Week ending 13th Nov. 1936.	Week ending 20th Nov. 1936.	Week ending 27th Nov. 1936.	Week ending 4th Dec. 1936.	Week ending 11th Dec. 1936.	Week ending 18th Dec. 1936.	Week ending 23rd Dec. 1936.	Week ending 30th Dec. 1936.
	ady.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
	6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/ 2d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6¼d.	1s. 6¼d.	1s. 6¼d.	Is. 6¼d.
	6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6¼d.	1s. 6¼d.	1s. 6¼d.	Is. 6¼d.
	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
	6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.
	6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6¼d.	1s. 6¼d.	1s. 6 7/32d.	1s. 6¼d.
	6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.
			801	802	804	804	812	814	808	804	806	807	808	807	809
		No quotation available.	813	815	810	818	825	826	820	814	818	819	820	819	821
	1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/32	100 1/64	100 1/64	100 1/64	100 1/64
	a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
	12 0	76 10 0	76 12 0	76 12 0	76 10 0	76 10 0	76 10 0	76 10 0	76 10 0	76 12 0	76 10 0	76 10 0	76 2 0	76 4 0	75 4 0
	1 3	34 15 0	35 2 6	35 2 6	35 3 0	35 3 6	35 3 9	35 4 3	35 3 3	35 2 6	35 9 0	35 1 9	35 0 9	35 1 0	35 0 9
	11 0	22 0 0	22 2 0	22 2 0	22 3 0	22 6 0	22 5 6	22 5 0	22 5 6	22 4 9	22 4 0	22 3 6	22 3 0	22 4 0	22 3 0
	7 0	49 10 0	49 14 0	49 9 0	49 9 0	49 13 0	50 5 0	52 15 0	51 6 0	51 12 0	52 7 0	52 7 0	52 9 0	52 7 0	52 8 0
	8 0	49 12 0	49 15 0	49 10 0	49 10 6	49 14 0	50 6 6	53 3 0	51 9 6	51 14 6	52 9 0	52 9 0	52 12 0	52 8 6	52 10 0
	er cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
	,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
	,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
		Easy.	Easy.	Easy.	Easy.	Quiet.	Easy.	Easy.	Quiet.	Easy.	Easy.	Quiet.	Steadier.	Easy.	Steady.	Firm.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
		99 12 0	99 12 0	99 14 0	100 1 0 Nom.	100 4 0	100 6 0	100 15 0	100 12 0	100 12 0	100 5 0	99 6 0	99 12 0	100 5 0	100 8 0	
		....	....	....	....	....	....	....	....	....	....	....	....	....	....	
		115 8 0	115 6 0	115 8 0	115 12 0 Nom.	115 14 0	115 14 0	116 2 0	116 0 0	115 13 0	115 7 0	114 12 0	116 0 0	115 4 0	115 7 0	Market closed.
		121 2 0	121 0 0	121 4 0	121 5 0 Nom.	121 7 0	121 8 0	121 9 0	121 8 0	121 7 0	121 6 0	121 1 0	121 3 0	121 5 0	121 6 0	
		....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
		....	....	20,250 0 0	....	....	....	3,300 0 0	....	8,000 0 0	13,900 0 0	25,300 0 0	....	45,600 0 0	6,000 0 0	Rs. a. p. 191,000 0 0
	Steady ith little nquiry.	Firm, little enquiry.	Firm, little enquiry.	Steady.	Firm, little enquiry.	Firm, good enquiry.	Firm, little enquiry.	——	Dull.	Firm, with enquiry.	Firm, good enquiry.	Steady, with enquiry.	Steady, no enquiry.	Steady, no enquiry.	Firm, little enquiry.	
	a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
	0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0 (No stock.)	10 0 0 (No stock.)	10 0 0 (No stock.)	10 0 0 (No stock.)	10 0 0 (No stock.)	10 0 0 (No stock.)	10 8 0	10 8 0	
	0 0	11 0 0	11 1 0	11 3 0	11 4 0	11 4 0	11 3 0	11 3 0	11 2 0	11 5 0	11 7 0	11 3 0	11 4 0	11 4 6	11 7 6	
	11 9	0 12 3	0 12 3	0 12 6	0 12 9	0 13 0	0 13 0	0 13 0 (No stock.)	0 13 0 (No stock.)	0 13 0 (No stock.)	0 13 0 (No stock.)	0 13 6 (No stock.)	0 13 3 (No stock.)	0 13 3 (No stock.)	0 13 6	
	8 0	41 4 0	41 0 0	42 8 0	44 0 0	44 0 0	46 0 0	45 0 0	45 4 0	45 4 0	45 12 0	45 13 0	46 8 0	47 4 0	50 0 0	
	0 0	33 4 0	33 4 0	34 4 0	34 4 0	34 4 0	35 6 0	35 0 0	35 4 0	35 4 0	35 12 0	35 12 0	36 4 0	37 8 0	39 8 0	
	12 0	5 12 0	5 11 0	5 11 0	5 11 0	5 12 0	5 12 0	5 12 0	6 2 0	6 2 0	6 1 0	6 2 0	6 2 0	6 8 0	6 12 0	
	12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	6 3 0	6 3 0	6 0 0	6 8 0	6 7 0	6 8 0	6 4 0	
	2 0	9 1 0	9 1 0	9 1 0	9 1 0	9 1 0	9 1 0	9 2 0	9 6 0 to 9 7 0	9 6 0 to 9 7 0	9 7 0	9 9 0	9 10 0	10 0 0	10 0 0	
	12 0	13 12 0	13 12 0	....	....	....	....	....	....	....	....	....	....	....	....	
	7 0	13 9 0	13 9 0	13 9 0	13 9 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 6 0	13 0 0	13 9 0	13 0 0	
	2 0	13 3 0	13 2 0	13 2 0	13 2 0	....	....	....	....	....	....	....	....	13 2 0	....	
	0 to 13 0 0	11 12 0 to 13 0 0	11 8 0 to 13 0 0	11 8 0 to 13 0 0	11 8 0 to 13 0 0	11 8 0 to 13 0 0	11 8 0 to 13 0 0	11 8 0 to 13 0 0	11 8 0 to 13 0 0	11 8 0 to 13 0 0	11 8 0 to 13 0 0	11 8 0 to 13 0 0	11 0 0 to 13 0 0	11 8 0 to 13 0 0	11 0 0 to 13 0 0	
	a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
	4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	
	4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	
	12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	
	14 0	4 12 0	4 12 0	4 12 0	4 12 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	
	s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
		....	....	....	....	....	....	....	....	....	....	....	....	....	....	
		....	....	....	....	....	....	....	....	....	....	....	....	....	....	
		....	....	....	....	....	....	....	....	....	....	....	....	....	....	
	Steady	Steady.	Steady.	Steady.	Steady.	Steady.	Weak.	Steady.	Steady.	Weak.	Weak.	Firm.	Steady.	Steady.	Steady.	
	a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
	....	....	....	....	168 0 0 Spot.	166 0 0 Spot.	165 0 0 Spot.	165 0 0 Spot.	167 0 0 Spot.	167 0 0 Spot.	167 0 0 Spot.	169 0 0 Spot.	169 0 0 Spot.	174 0 0 Spot.	180 0 0 Spot.	
	0 0 Dec. Jan. 1937.	157 0 0 Dec. Jan. 1937.	155 0 0 Dec. Jan. 1937.	158 0 0 Dec. Jan. 1937.	159 0 0 Dec. Jan. 1937.	157 0 0 Dec. Jan. 1937.	159 0 0 Dec. Jan. 1937.	159 0 0 Dec. Jan. 1937.	161 0 0 Dec. Jan. 1937.	161 0 0 Dec. Jan. 1937.	161 0 0 Mar. 1937.	165 0 0 Dec. Jan. 1937.	165 0 0 Dec. Jan. 1937.	171 0 0 Dec. Jan. 1937.	177 0 0 Dec. Jan. 1937.	
	....	....	....	....	....	157 0 0 March 1937.	159 0 0 March 1937.	159 0 0 March 1937.	162 0 0 March 1937.	162 0 0 March 1937.	160 0 0 Dec, Jan. 1937.	166 0 0 March 1937.	164 0 0 March 1937.	169 0 0 March 1937.	176 0 0 March 1937.	
	....	....	....	....	....	....	201 0 0 Spot.	205 0 0 Spot.	205 0 0 Spot.	202 0 0 Spot.	202 0 0 Spot.	209 0 0 Spot.	205 0 0 Spot.	205 0 0 Spot.	211 0 0 Spot.	
	....	....	....	....	195 0 0 March 1937.	....	196 0 0 March 1937.	198 0 0 March 1937.	197 0 0 March 1937.	198 0 0 March 1937.	198 0 0 Dec. Jan. 1937.	204 0 0 March 1937.	201 0 0 March 1937.	202 0 0 March 1937.	208 0 0 March 1937.	
	0 0 Dec. Jan. 1937.	199 0 0 Dec. Jan. 1937.	194 0 0 Dec. Jan. 1937.	198 0 0 Dec. Jan. 1937.	199 0 0 Dec. Jan. 1937.	196 0 0 Dec. Jan. 1937.	196 0 0 Dec. Jan. 1937.	199 0 0 Dec. Jan. 1937.	199 0 0 Dec. Jan. 1937.	198 0 0 Dec. Jan. 1937.	....	205 0 0 Dec. Jan. 1937.	201 0 0 Dec. Jan. 1937.	202 0 0 Dec. Jan. 1937.	208 0 0 Dec. Jan. 1937.	
	....	....	....	....	....	....	....	....	....	....	198 0 0 Mar. 1937.	....	....	....	....	

| | | |

215	0	0 April-May 1937.	221	0	0 April-May 1937.	218	0	0 April-May 1937.	221	0	0 April-May 1937.	221	0	0 April-May 1937.	218	0	0 April-May 1937.	219	0	0 April-May 1937.	218	0	0 April-May 1937.	217	0	0 April-May 1937.	217	0	0 April-May 1937.	219	0	0 April-May 1937.	224	0	0 April-May 1937.	222	0	0 April-May 1937.	222	0	0 April-May 1937.	228	0	0 April-May 1937.
Ready.			Ready.			Ready.			Ready.			Market closed from 17th Oct. 1936.			Ready.			Ready.			Market closed.			Ready.			Ready.			Ready.			Ready.			Ready.			Ready.		
Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.				Rs.	a.	p.	Rs.	a.	p.				Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
2	14	0	2	14	0	2	14	0	2	15	0				2	13	0												2	11	6	2	12	0	2	14	6	2	13	0	5	15	0
9	1	0	9	0	0	8	4	0	8	0	0				8	2	0												8	6	0	8	7	0	8	14	0	8	11	0	8	13	0
7	2	0	7	0	6	7	0	6	7	2	0				7	1	0							7	3	0	7	3	0	7	4	6				7	11	0	7	8	0	7	11	0
7	0	0	6	14	6	6	13	6	6	15	0				7	0	0							7	1	6	7	1	6	7	2	6				7	9	6	7	6	0	7	9	0
8	6	0	8	4	0	8	0	0	8	2	0				7	5	0							7	7	0	7	8	0	7	12	0				8	12	0	8	12	0	8	12	0
7	8	0 Nom.	7	8	0 Nom.	7	8	0 Nom.	7	4	0 Nom.				7	4	0 Nom.							6	15	0	6	15	0 Nom.	7	0	0 Nom.				8	0	0 Nom.	7	14	0 Nom.	7	14	0 Nom.
7	8	0 „	7	8	0 „	7	8	0 „	7	4	0 „				7	4	0 „							6	15	0	6	15	0 „	7	0	0 „				8	0	0 „	7	14	0 „	7	14	0 „
8	0	0 „	8	0	0 „	8	0	0 „	7	12	0 „				7	12	0 „							7	7	0	7	7	0 „	7	8	0 „				8	8	0 „	8	6	0 „	8	6	0 „
11	12	0	8	10	0	8	8	0	8	8	0				7	12	0							8	2	0	8	3	0	8	6	0				8	12	0	8	6	0	8	11	6
5	8	0	5	8	0	5	14	0	5	14	0				5	12	0							5	14	0 Nom.	6	0	0 Nom.	8	9	0				6	0	0 Nom.	8	0	0 Nom.	6	0	0 Nom.
6	12	0	6	14	0	6	14	0	7	1	0				7	0	6							7	6	0	7	3	0	7	6	0				7	8	0	7	7	0			
5	2	0 Nom.	5	1	0 Nom.	4	15	0 Nom.	5	4	6 Nom.				5	2	0 Nom.							5	0	6	5	3	0 Nom.	5	5	6 Nom.				5	12	6 Nom.	5	13	6	6	13	6 Nom.
5	1	0 „	5	0	0 „	4	14	0 „	5	3	6 „				5	1	0 „							4	15	6	5	2	0 „	5	4	6 „				5	11	6 „	5	12	6 „	6	12	6 „
5	0	0 „	4	15	0 „	4	13	0 „	5	2	6 „				5	0	0 „							4	14	6	5	1	0 „	5	3	6 „				5	10	6 „	5	11	6 „	6	11	6 „
4	15	0 „	4	14	0 „	4	12	0 „	5	1	6 „				4	15	0 „							4	13	6	5	0	0 „	5	2	6 „				5	9	6 „	5	10	6	6	10	6 „
6	2	0 „	6	0	0 „	6	0	0 „	6	3	0 „				6	3	0 „							6	2	0	6	2	0 „	6	5	0 „				6	9	0 „	6	9	0	6	10	0 „
5	13	0 „	5	11	0 „	5	11	0 „	5	14	0 „				5	14	0 „							5	13	0	5	13	0 „	6	0	0 „				6	4	0 „	6	4	0	6	5	0 „
5	8	0 „	5	6	0 „	5	6	0 „	5	9	0 „				5	9	0 „							5	8	0	5	8	0 „	5	11	0 „				5	15	0 „	6	0	0 „			
5	5	0	5	4	0	5	3	0	5	8	0				5	5	0							5	4	0	5	3	0	5	6	0				5	12	0	5	11	0	5	12	0
5	3	0	5	2	0	5	1	0	5	6	0				5	3	0							5	2	0	5	1	0	5	4	0				5	10	0	5	9	0	5	10	0
Firm.			Firm.			Firm.			Firm.			Very firm.			Firm.			Quiet but steady.			Firm.			Very firm.			Firm.			Firm.			Very firm.			Firm.			Firm.			Very firm.		
S.	d.		S.	d.		S.	d.		S.	d.		S.	d.		S.	d.		S.	d.		S.	d.		S.	d.		S.	d.		S.	d.		S.	d.		S.	d.		S.	d.	
18	0	Oct.	19 to 23		Oct.	20 to 23		Oct.-Mar.	20 to 23		Oct.-Mar.	20 to 23		Oct.-Mar.	23 to 26		Nov.-Mar.	20 to 23		Nov.-Mar.	20 to 25		Dec.-Mar.	20 to 25		Dec.-Mar.	22 to 24		Nov.-Mar.	21 to 30		Dec.-Sept.	22 to 25		Dec.-June	32 to 37		Jan.-Mar.	32 to 35		Jan.-Mar.	32 to 37		Jan.-May
30	0	„	30	0	„	30 to 32		„	30 to 32/6		„	32 to 33		„	32/6 to 33		„	32/6 to 33		„	29/6 to 30		„	32/6 to 36		„	29/6 to 32		„	32 to 35		„	40	0	„	40 to 42/6		„	40 to 42/6		„	40	0	„
18	0	„	19 to 23		„	20 to 23		Oct.-April	20 to 23		Oct.-April	20 to 23		Oct.-April	23 to 26		Nov.-Mar.	20 to 23		Nov.-Mar.	20 to 25		Dec.-Mar.	22 to 24		Nov.-Mar.	21 to 30		Dec.-Sept.	22 to 25		Dec.-June	32 to 37		Jan.-Mar.	32 to 35		Jan.-Mar.	32 to 37		Jan.-May
30	0	„	30	0	„	30 to 32		„	30 to 32/6		„	32 to 33		„	32/6 to 33		„	32/6 to 33		„	29/6 to 30		„	32/6 to 36		„	29/6 to 32		„	32 to 35		„	40	0	„	40 to 42/6		„	40 to 42/6		„	40	0	„
30	0	„	20	0	„	20	0	Oct.	20	0	Oct.	22	0	Oct.	23	0	Nov.	26	0	Dec.	26	0	Dec.	34	0	„	25	0	Mar.	25	0	Mar.	30	0	„	34	0	Jan.	32	0	„	32	0	Jan.-Mar
30	0	„	30	0	„	30	0	„	31	0	„	32	0	„	32	0	„	32	0	„	34	0	„	34	0	„	33	6	„	33	6	„	35	0	„	40	0	„	42	6	„	40	0	„
18	0	„	19 to 23		„	20 to 23		Oct.-Mar.	20 to 23		Oct.-Mar.	20 to 23		Oct.-April	23 to 26		Nov.-Mar.	20 to 23		Nov.-Mar.	20 to 25		Dec.-Mar.	22 to 24		Nov.-Mar.	21 to 30		Dec.-Sept.	22 to 25		Dec.-June	32 to 37		Jan.-Mar.	32 to 35		Jan.-Mar.	32 to 35		Jan.-May
30	0	„	30	0	„	30 to 32		„	30 to 32/6		„	30 to 33		„	28 to 31		„	29/6 to 30		„	25 to 30		„	27 to 29		„	26 to 35		„	27 to 30		„	37 to 42		„	37 to 40		„	37 to 40		„	37 to 42		„
23	0	„	24 to 28		„	25 to 28		„	25 to 28		„	25 to 28		„	28 to 31		„	23 to 28		„	25 to 30		„	27 to 29		„	26 to 35		„	27 to 30		„	37 to 42		„	37 to 40		„	37 to 40		„	37 to 42		„
35	0	„	35	0	„	35 to 37		„	35 to 37/6		„	35 to 38		„	37/6 to 38		„	37/6 to 38		„	34 to 35		„	37/6 to 41		„	34/6 to 37		„	37 to 40		„	45	0	„	45 to 47/6		„	45 to 47/6		„	45	0	„
19	0	Nov.	19	0	„	19	0	Nov.	19	6	Dec.				20	0	Jan.	20	0	Feb.	22	0	Feb.	21	0	April.	22	0	April.	25	0	April.	29	0	April.									
31	0	„	31	0	„	32	0	„	32	6	„				33	0	„	33	0	„	33	0	„	34	0	„	33	0	„	34	0	„	36	0	„	37	0	„	42	6	„	42	6	Jan.-Mar.
19	0	„	19	0	„	19	0	„	19	6	„				20	0	„	20	0	Jan.	22	0	„	22	0	„	21	0	„	25	0	„	29	0	„									
31	0	„	31	0	„	32	0	„	32	6	„				33	0	„	33	0	„	34	0	„	34	0	„	33	0	„	34	0	„	36	0	„	37	0	„	42	6	„	42	6	„
18	0	Oct.	19 to 23		„	20 to 23		Oct.-Mar.	20 to 23		Oct.-Mar.	20 to 23		Oct.-April	23 to 26		Nov.-Mar.	20 to 23		Nov.-Mar.	20 to 25		Dec.-Mar.	22 to 24		Nov.-Mar.	21 to 30		Dec.-Sept.	22 to 25		Dec.-June	32 to 37		Jan.-Mar.	32 to 35		Jan.-Mar.	32 to 35		Jan.-May
30	0	„	30	0	„	30 to 32		„	30 to 32/6		„	30 to 33		„	32/6 to 33		„	32/6 to 33		„	29/6 to 30		„	32/6 to 36		„	29/6 to 32		„	32 to 35		„	40	0	„	40 to 42/6		„	40 to 42/6		„	40	0	„
19	6	„	20/6 to 24/6		„	21/6 to 24/6		„	21/6 to 24/6		„	21/6 to 24/6		„	24/6 to 27/6		„	21/6 to 24/6		„	21/6 to 26/6		„	23/6 to 25/6		„	22/6 to 31/6		„	23/6 to 26/6		„	33/6 to 38/6		„	33/6 to 36/6		„	33/6 to 36/6		„
31	6	„	31	6	„	31/6 to 33/6		„	31/6 to 34		„	31/6 to 34/6		„	34 to 34/6		„	34 to 34/6		„	31 to 31/6		„	34 to 37/6		„	31 to 33/6		„	32/6 to 36/6		„	41	6	„	41/6 to 44		„	41/6 to 44		„	41	6	Jan.-Mar.
18	0	„	19 to 23		„	20 to 23		„	20 to 23		„	23 to 26		„	34 to 36		„	20 to 23		„	20 to 25		„	22 to 24		„	21 to 30		„	22 to 25		„	32 to 37		„	32 to 35		„	32 to 35		„	32 to 37		Jan.-May
30	0	„	30	0	„	30 to 32		„	30 to 32/6		„	30 to 33		„	32/6 to 33		„	32/6 to 33		„	29/6 to 30		„	32/6 to 36		„	29/6 to 32		„	32 to 35		„	40	0	„	40 to 42/6		„	40 to 42/6		„	40	0	„
17	0	„	18	0	„	18	0	Oct.	19	0	Oct.	19	0	Oct.	19	0	Nov.	19	0	Nov.	21	0	Dec.	21	0	Jan.	20	0	Mar.	21	0	Mar.	25	0	Jan.-Feb.	30	0	Jan.	32	0	Jan.	30	0	Feb.-Mar.
27	6	„	27	6	„	27	6	„	30	0	„	30	0	„	30	0	„	30	0	Dec.	32	6	„	32	6	Dec.	32	6	„	32	6	„	35	0	„	40	0	Feb.	40	0	Feb.	40	0	„
17	0	„	18	0	„	18	0	„	19	0	„	19	0	„	19	0	„	19	0	„	21	0	„	21	0	Jan.	20	0	„	21	0	„	25	0	„	30	0	Jan.	32	0	Jan.	30	0	„
27	6	„	27	0	„	27	6	„	30	0	„	30	0	„	30	0	„	30	0	Dec.	32	6	„	32	6	Dec.	32	6	„	32	6	„	35	0	„	40	0	Feb.	40	0	Feb.	40	0	„
23	0	„	23	0	„	23	0	„	23	0	„	23	0	„	23	0	„	23	0	Nov.	23	0	„	23	0	„	23	0	„	23	0	„	38	0	Jan.-Mar.	23	0	April.	23	0	April.	23	0	April.
35	6	„	35	6	„	35	6	„	38	0	„	38	0	„	38	0	„	38	0	„	38	0	„	38	0	„	38	0	„	38	0	„	38	0	„	45	0	„	45	0	„	45	0	„
Yen. 4.56 Rdy.			Yen. 4.56 Rdy.			Yen. 4.56 Rdy.			Yen. 4.56 Rdy.			Yen. 4.56 Rdy.			Yen. 4.56 Rdy.			Yen. 4.56 Rdy.			Yen. 4.72 Rdy.			Yen. 4.72 Rdy.			Yen. 4.72 Rdy.			Yen. 4.72 Rdy.			Yen. 4.72 Rdy.			Yen. 4.72 Rdy.			Yen. 4.72 Rdy.		
Yen. 4.56 „			Yen. 4.56 „			Yen. 4.56 „			Yen. 4.56 „			Yen. 4.56 „			Yen. 4.56 „			Yen. 4.56 „			Yen. 4.72 Rdy.			Yen. 4.72 Rdy.			Yen. 4.72 Rdy.			Yen. 4.72 Rdy.			Yen. 4.72 „			Yen. 4.72 „			Yen. 4.72 „		

Current Quotations as estimated by the Committee of the

QUOTATIONS.	Week ending 3rd January 1936.	Week ending 10th January 1936.	Week ending 17th January 1936.	Week ending 24th January 1936.	Week ending 31st January 1936.	Week ending 7th February 1936.	Week ending 14th February 1936.	Week ending 20th February 1936.	Week ending 28th February 1936.	Week ending 6th March 1936.	Week ending 13th March 1936.
EXCHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
On England Bank Bills. Telegraphic Transfer	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.
On England Bank Bills. Sight	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6¼d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.	1s. 6 3/32d.
On England Bank Bills. 3 months'	....	....	....	....	....	....	....	....	....	....	....
On England Bank Bills. 4 "	....	....	....	....	....	....	....	....	....	....	....
On England Bank Bills. 6 "	....	....	....	....	....	....	....	....	....	....	....
First Class Credits 3 months' Sight	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d.
First Class Credits 4 " "	1s. 6¼d.	1s. 6¼d.	1s. 6¼d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.	1s. 6 7/32d.
First Class Credits 6 " "	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6¼d.	1s. 6¼d.	1s. 6¼d.	1s. 6¼d.	1s. 6¼d.	1s. 6¼d.	1s. 6¼d.	1s. 6¼d.
Documents 3 months' Sight	....	....	....	....	....	....	....	....	....	....	....
Documents 4 " "	....	....	....	....	....	....	....	....	....	....	....
Documents 6 " "	....	....	....	....	....	....	....	....	....	....	....
French Francs, D/A Sight	574	577	576	578	577	576	577	574	574	575	577
" " 3 months' "	Nom.	585	591	588	587	586	587	586	583	585	587
On Calcutta Bank Telegraphic Transfer	100 1/32	100 1/32	100 1/32	100 1/32	100 1/32	100 1/32	100 1/32	100 1/32	100 1/32	100 1/32	100 1/32
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Mercantile Bills 60 days' Sight (Japan per 100 Yens.)	76 10 0	76 14 0	76 14 0	76 12 0	76 10 0	76 2 0	76 12 0	76 12 0	76 0 0Nom.	76 10 0Nom.	76 8 0
English Bar Gold (100 touch per tola)	35 4 0	35 2 0	34 13 0	34 0 3	34 10 3	34 16 0	34 11 9	34 13 6	34 12 0	34 14 0	34 13 0
Sovereigns	22 0 9	22 0 0	22 0 6	22 3 0	22 3 6	22 5 0	22 5 6	22 7 0	22 6 9	22 6 6	22 6 0
Bar Silver Ready	54 13 0	49 13 0	48 8 0	50 0 0	48 13 0	49 1 0	49 15 0	50 1 0	49 10 0	47 14 0	49 6 0
Bar Silver Forward	58 14 0Nom.	49 13 0	48 9 0	49 0 0	48 10 0	48 15 0	49 14 0	49 10 0	49 12 0	47 13 0	49 4 0
RATES OF DISCOUNT.											
Bank Rate of Discount on Private Bills, 60 days' Sight	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
Bank Rate of Interest on Demand Loans on Government Securities	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Rate of Interest in the Open Market on Government Paper	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Money Market	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
GOVERNMENT SECURITIES.											
Three and a half per cent.	98 10 0	96 6 0	96 6 0	96 4 0	96 7 0	97 0 0	97 7 0	97 12 0	98 6 0	98 15 0	96 10 0
Three per cent.	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*
Four per cent. 1960/70	110 6 0	110 8 0	110 12 0	110 10 0	111 3 0	111 14 0	112 3 0	112 4 0	112 11 0	113 4 0	112 2 0
Five per cent. tax free 1945/55	119 9 0	119 9 0	119 7 0	118 13 0	118 12 0	119 7 0	119 10 0	119 10 0	119 12 0	120 0 0	119 1 0
Government Paper enfaced from London to Bombay	*Nil.*	8,900 0 0	39,500 0 0	19,200 0 0	*Nil.*	48,000 0 0	2,500 0 0	*Nil.*	15,700 0 0	7,100 0 0	11,800 0 0
IMPORTS.											
Piecegoods Market	Quiet but fairly steady.	Quiet. Tendency in prices is weak.	Quiet with weak tendency in prices.	Very quiet prices generally are steady.	Quiet with weak tendency in prices.	Continues quiet.	Firm with fair amount of enquiries.	Quiet with little or no enquiry.	Continues dull with small enquiries.	Dull with very little demand.	Prices steady with moderate enquiries.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Japanese Grey Shirtings, Peach. 36"×40 yards (per piece)	9 10 0	9 10 0	9 10 0	9 6 0	9 8 0	9 6 0	9 6 0	9 6 0	9 6 0	9 6 0	9 6 0
" White " 800. 34"×42 yards (")	10 4 0	10 5 0	10 4 0	10 3 0	10 4 0	10 4 0	10 4 0	10 4 0	10 10 0	10 13 0	10 14 0
" Grey Yarn, Five Star 2/42s (per lb.)	0 11 5 to 0 11 6	0 11 1¼	0 11 0	0 11 0	0 11 2¼	0 11 0	0 11 0	0 11 1¼	0 11 1¼	0 11 1¼	0 11 1¼
Copper Braziers (in Bundles) (per cwt.)	37 8 0	37 6 0	37 6 0	37 6 0	37 6 0	37 6 0	37 10 0	38 12 0	38 10 0	38 8 0	38 8 0
Yellow Metal (") (")	32 12 0	32 14 0	32 12 0	32 14 0	32 14 0	32 14 0	33 0 0	33 4 0	33 2 0	33 0 0	33 4 0
Continental Basic Steel Bars (") (")	5 14 0Nom.	5 14 0	5 13 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 10 0	5 10 0	5 10 0
" Nail Rods (") (")	5 12 0Nom.	5 12 0	5 12 0	5 8 0	5 12 0	5 10 0	5 10 0	5 10 0	5 11 0	5 12 0	5 12 0
Galvanized Corrugated Sheets (") (")	9 2 0Nom.	9 2 0	9 2 0	9 1 0	9 3 0	9 2 0	9 2 0	9 1 0	9 2 0	9 3 0	9 3 0
Sugar Ordinary Crystals Beet (per cwt. ex. Godown)	14 0 0	14 0 0	14 0 0	14 0 0	13 14 0	13 14 0	13 14 0	13 12 0	13 12 0	13 14 0	13 14 0
Sugar Java White Granulated T.M.O. quality (per cwt. ex. Godown)	13 10 6	13 10 0	13 10 0	13 10 0	13 9 0	13 8 6	13 8 0	13 8 0	13 8 0	13 8 0	13 8 6
Sugar African (per cwt. ex. Godown)	13 8 6	13 9 0	13 9 0	13 8 6	13 7 0	13 7 0	13 6 0	13 6 0	13 5 0	13 5 0	13 5 0
Sugar Indian (per cwt. ex. Godown)	13 6 0 to 13 12 0	13 3 0 to 13 11 0	13 3 0 to 13 11 0	13 0 0to 13 10 0	12 14 0 to 13 8 0	12 14 0 to 13 8 0	12 12 0 to 13 6 0	12 10 0 to 13 6 0	12 12 0 to 13 5 0	12 12 0 to 13 5 0	12 15 0 to 13 7 0
COAL.											
Indian Coal, F.O.R.—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bengal Coal—											
Dasalgarh (Selected Grade) F.O.R. (per ton)	3 4 0	3 4 0	3 4 0	3 2 0	3 4 0	3 4 0	3 4 0	3 2 0	3 4 0	3 4 0	3 4 0
Jehria (Selected Grade) F.O.R. (")	3 4 0	3 4 0	3 4 0	3 2 0	3 4 0	3 4 0	3 4 0	3 2 0	3 4 0	3 4 0	3 4 0
Jehria (Grade 1) F.O.R. (")	2 12 0	2 12 0	2 12 0	2 10 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0
Central Provinces (1st class) F.O.R. (")	5 4 0	5 4 0	5 4 0	5 2 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0	5 0 0
Foreign Coal (C.I.F.)—	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Best Welsh all large (per ton)	....	....	....	....	....	....	....	....	....	....	....
" " ¾ large and ¼ small (")	....	....	....	....	....	....	....	....	....	....	....
" Natal (African) (")	....	....	....	....	....	....	....	....	....	....	....
EXPORTS.											
Cotton Exports.—											
(Fully pressed, per Candy of 784 lbs.)											
Cotton Market	Steady.	Steady.	Steady.	Weak.	Weak.	Steady.	Firm.	Steady.	Steady.	Steady.	Weak.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
M. G. Bengals (Railway Arms) F. G.	148 0 0 Dec.	138 0 0 Dec.	137 8 0 May	146 0 0 Spot.	138 0 0 Spot.	139 0 0 Spot.	148 0 0 Spot.	148 0 0 Spot.	148 0 0 Spot.	147 0 0 Spot.	152 0 0 Spot.
" " (") F. G.	Jan. 1935-36. 147 8 0	Jan. 1935-36. 136 12 0	1936. 141 4 0 Dec.	145 0 0 Dec.	136 0 0	137 0 0	146 0 0	142 0 0	142 0 0	141 0 0	146 0 0
" " (") F. G.	March 1936.	March 1936.	Jan. 1935-36.	Jan. 1935-36.	March 1936.	March 1936.	March 1936.	March 1936.	March 1936.	March 1936.	March 1936.
" Oomra (Fair staple) Fine	....	....	138 4 0	140 0 0	135 0 0	136 0 0 May	142 0 0	139 0 0 May	139 0 0 May	138 0 0 May	143 0 0 May
" " (") Fine	203 4 0 Dec.	188 0 0 Dec.	March 1936. 186 12 0 Dec.	March 1936. 190 0 0 Spot.	1936. 184 0 0 Spot.	1936. 182 0 0 Spot.	1936. 182 0 0 Spot.	1936. 184 0 0 Spot.	1936. 177 0 0 Spot.	1936. 175 0 0 Spot.	1936. 184 0 0 Spot.
	Jan. 1935-36. 201 4 0	Jan. 1935-36. 186 0 0	Jan. 1935-36. 183 8 0	189 0 0 Dec.	180 0 0	177 0 0	187 0 0 Spot.	March 1936. 179 0 0	172 0 0	170 0 0	180 0 0

nding arch 6.	Week ending 20th March 1936.	Week ending 27th March 1936.	Week ending 2nd April 1936.	Week ending 9th April 1936.	Week ending 17th April 1936.	Week ending 24th April 1936.	Week ending 1st May 1936.	Week ending 8th May 1936.	Week ending 15th May 1936.	Week ending 22nd May 1936.	Week ending 29th May 1936.	Week ending 5th June 1936.	Week ending 12th June 1936.	Week ending 19th June 1936.	Week ending 26th June 1936.
y.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
2d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.
2d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.	ls. 6 3/32d.
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	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
6d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.	ls. 6 3/16d.
2d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 9/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.	ls. 6 7/32d.
	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.	ls. 6¼d.
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	577	579	583	580	580	578	580	597	588	592	604	610	610	603	587
	587	589	593	590	592	589	592	610	600	607	619	630	628	623	599
	100 1/16	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64	100 1/64
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
	76 8 0	76 8 0	76 10 0	76 12 0	76 12 0	76 12 0	76 12 0	77 0 0	76 14 0	77 0 0	77 2 0	77 2 0	77 0 0	77 0 0	77 0 0
	34 12 3	34 11 0	34 10 9	34 12 9	34 13 0	34 14 3	34 13 9	34 11 0	34 11 0	34 10 3	34 7 3	34 5 3	34 5 3	34 4 0	34 5 0
	22 6 6	22 7 0	22 6 6	22 6 6	22 8 0	22 8 6	22 11 0	22 11 6	22 10 6	22 9 0	22 6 0	22 4 6	22 3 6	22 4 0	22 4 0
	49 3 0	49 10 0	49 10 0	49 12 0	51 8 0	51 0 0	50 7 0	50 4 0	51 5 0	50 2 0	49 9 0	49 11 0	49 6 0	48 9 0	48 14 0
	49 2 0	49 8 0	49 10 0	49 12 0	51 9 0	51 1 0	50 8 0	50 5 0	51 7 0	50 4 0	49 10 0	49 12 0	49 7 0	48 10 0	49 0 0
t.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
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	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,	3 ,,
	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.	Quiet.
p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
0	97 8 0	97 3 0	97 10 0	98 5 0	98 4 0	98 0 0	98 2 0	98 8 0	98 10 0	99 2 0	98 1 0	98 7 0	98 14 0	98 11 0	98 15 0
	Nil.	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*	*Nil.*
0	112 4 0	112 2 0	112 9 0	113 2 0	113 6 0	113 10 0	113 12 0	114 0 0	114 6 0	114 15 0	114 14 0	114 10 0	114 13 0	115 1 0	115 5 0
0	119 6 0	119 3 0	119 9 0	120 0 0	120 1 0	120 1 0	120 2 0	120 4 0	120 9 0	120 14 0	120 14 0	120 10 0	120 7 0	120 9 0	120 10 0
0	17,100 0 0	*Nil.*	*Nil.*	*Nil.*	46,700 0 0	25,400 0 0,	*Nil.*	15,800 0 0	*Nil.*	97,400 0 0	8,500 0 0	*Nil.*	*Nil.*	21,400 0 0	*Nil.*
dy rate s.	Steady with fair enquiries.	Weak with poor enquiries.	Prices steady with moderate sales.	Unchanged poor demand.	Quiet with very feeble enquiries.	Steady with slightly improved demand.	Dull with small retail enquiries.	Dull with no or little enquiries.	Dull with very small business.	Quiet with moderate enquiries.	Continues dull with stray enquiries.	Quiet with very little enquiry.	Dull with little or no enquiry.	Dull with little or no enquiry.	Dull with little enquiry.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
	9 6 0	9 6 0	9 6 0	9 6 0	9 7 0	9 5 0	9 8 0	9 7 0	9 7 6	9 7 0	9 7 0	9 7 0	9 8 0	9 7 0	9 7 0
	11 4 0	11 3 0	11 2 0	11 1 0	11 4 0	11 4 0	11 2 0	11 7 0	11 9 0	11 4 6	11 4 0	11 2 0	11 2 0	11 1 6	11 2 0
	0 11 3	0 10 11	0 10 11½	0 10 11	0 10 11	0 11 7	0 11 6	0 11 6	0 11 4½	0 11 4½	0 11 4½	0 11 3	0 11 3	0 11 4½	0 11 5
	38 8 0	38 8 0	38 12 0	38 8 0	39 0 0	39 6 0	39 0 0	39 2 0	39 2 0	39 0 0	39 0 0	38 10 0	38 10 0	38 10 0	38 12 0
	33 0 0	33 2 0	33 4 0	33 4 0	32 14 0	33 4 0	33 0 0	33 2 0	33 2 0	33 0 0	33 0 0	32 8 0	32 10 0	32 8 0	32 8 0
	5 13 0	5 13 0	5 13 0	5 13 0	5 12 0 to 5 13 0	5 13 0	5 13 0	5 13 0	5 12 0	5 12 0	5 13 0	5 13 0	5 13 0	5 12 0	5 12 0
	5 14 0	5 13 0	5 13 0	5 13 0	5 12 0 to 5 13 0	5 13 0	5 13 0	5 13 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0	5 12 0
	9 3 0	9 4 0	9 4 0	9 3 0	9 4 0	9 3 0	9 3 0	9 4 6	9 3 0	9 3 0	9 3 0	9 5 0	9 4 0	9 5 0	9 6 0	9 3 0
	13 14 0	13 14 0	13 14 0	13 14 0	13 14 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0	14 0 0
	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0	13 8 0
	13 4 6	13 4 0	*Nil.*	13 4 0	13 4 0	13 4 0	13 4 0	13 4 0	13 4 0	13 4 0	13 4 0	13 4 0	13 4 0	13 4 0	13 4 0
7 0	13 0 0 to 13 6 0	12 13 0 to 13 7 0	12 13 0 to 13 7 0	12 14 0 to 13 6 0	12 14 0 to 13 6 0	12 14 0 to 13 5 0	12 8 0 to 13 4 0	12 6 0 to 13 4 0	12 6 0 to 13 4 0	12 6 0 to 13 4 0	12 4 0 to 13 4 0	12 6 0 to 13 3 0	12 5 0 to 13 2 0	12 5 0 to 13 2 0	12 5 0 to 13 2 0
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0
	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0	3 4 0
	2 12 0	2 12 0	2 12 0	2 12 0	2 14 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0	2 12 0
	5 0 0	5 0 0	5 0 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0	4 14 0
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
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	Firm.	Steady.	Steady.	Steady.	Firm.	Steady.	Steady.	Steady.	Firm.	Steady.	Firm.	Steady.	Firm.	Steady.	Steady.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Spot.	153 0 0 Spot.	151 0 0 Spot.	153 0 0 Spot.	155 0 0 Spot.	161 0 0 Spot.	161 0 0 Spot.	161 0 0 Spot.	163 0 0 Spot.	165 0 0 Spot.	163 0 0 Spot.	168 0 0 Spot.	171 0 0 Spot.	175 0 0 Spot.	178 0 0 Spot.	185 0 0 Spot.
936.	152 0 0 March 1936.	146 0 0 May 1936.	148 0 0 May 1936.	150 0 0 May 1936.	158 0 0 May 1936.	158 0 0 May 1936.	155 0 0 July 1936.	160 0 0 May 1936.	162 0 0 May 1936.	160 0 0 May 1936.	163 0 0 July 1936.	166 0 0 July 1936.	170 0 0 July 1936.	....	182 0 0 July 1936.
May 936.	146 0 0 May 1936.	144 0 0 July 1936.	149 0 0 July 1936.	148 0 0 July 1936.	158 0 0 July 1936.	155 0 0 July 1936.	158 0 0 May 1936.	156 0 0 July 1936.	158 0 0 July 1936.	158 0 0 July 1936.	146 0 0 Dec.-Jan. 1937.	148 0 0 Dec.-Jan. 1937.	151 0 0 Dec.-Jan. 1937.	152 0 0 Dec.-Jan. 1937.	155 0 0 Dec.-Jan. 1937.
pot.	184 0 0 Spot.	185 0 0 Spot.	187 0 0 Spot.	187 0 0 Spot.	192 0 0 Spot.	192 0 0 Spot.	190 0 0 Spot.	190 0 0 Spot.	192 0 0 Spot.	192 0 0 Spot.	194 0 0 Spot.	199 0 0 Spot.	206 0 0 Spot.	205 0 0 Spot.	211 0 0 Spot.

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